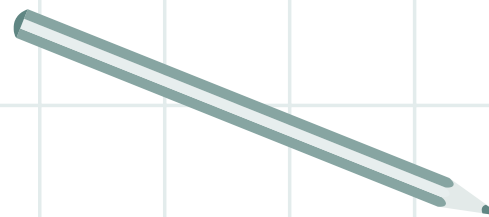
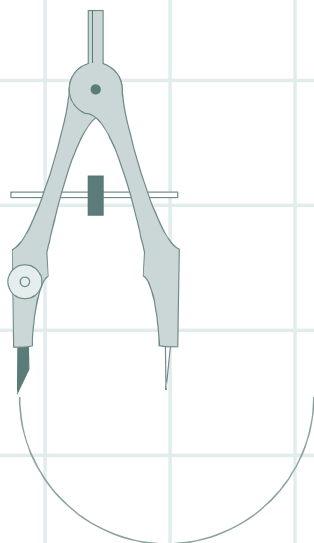


Housing Master Plan City of Mesa

adopted July 6, 2004



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Dear Friends:

Mesa's Housing Master Plan was created through countless hours of resident, staff and Council consideration and deliberation. The result, as you will read, is a thoughtful analysis of what Mesa is doing well and areas where we can improve in terms of our community housing.

This document exists thanks to the 15 members of the Community Housing Task Force. They represent the balance that drives our community: economic development advocates, affordable housing enthusiasts and residential developers. Their active participation and dedication were essential to the creation of our Housing Master Plan.

There are three targeted housing goals for Mesa identified in this report. The year 2025 is referenced as a projection for when build-out will occur for the City of Mesa. Maricopa Association of Governments (MAG) projections show that build-out may not occur before 2039. Nonetheless, at whatever pace build-out occurs, I want to ensure our growth is deliberate and well planned.

The first goal is to increase housing production to meet projected growth for all income groups. If this is implemented, I am concerned that our continued focus in the area of low-income housing, a category in which we have the lowest gap in the en-

tire region, will effectively cement Mesa's reputation as the Valley's majority low-income housing provider. Unfortunately, there exists a perception that other communities do not have to provide a full range of affordable housing as long as affordable housing exists within a 30-minute commute zone. But my preference is to encourage neighboring communities to implement policies to create additional low-income housing opportunities within their own communities. Mesa is not a community in isolation and I do not feel that Mesa should be the low-income housing provider for Maricopa County.

The second goal encourages low-income housing opportunities that meet or exceed housing options in Maricopa County. However, the current housing affordability gap within Mesa is only 5.0 percent whereas it is 9.6 percent in Maricopa County. Given the fact that Mesa is already producing more affordable housing than our neighbors, and is already well below the overall county affordability gap, I prefer a regional approach to future affordable housing efforts.

Furthermore, as part of this regional effort, I encourage the development of additional high-income housing or executive housing options within Mesa to meet or exceed the housing options currently available throughout Maricopa County.

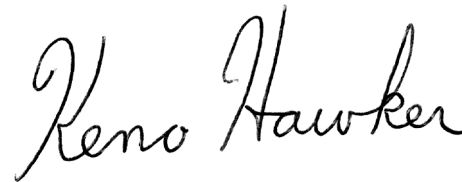
Mesa's deficiency in the area of executive level homes is of particular concern to me. Mesa currently has a gap for executive housing that is three times the gap identified for lower income housing. Executive level housing is a competitive market with neighboring communities capturing more and more of Mesa's residents. In my opinion, because the gap in higher income housing is three times the gap in low-income housing, it therefore deserves the greatest level of attention due to the fact that it represents a much higher deficit.

The final targeted housing goal listed in the Housing Master Plan addresses the need to reduce the number of housing units in substandard or deteriorated condition by at least 50 percent. I am in complete support of this effort, as this goal encourages safe and healthy living conditions, promotes pride of ownership, increases private investment and empowers residents.

I believe this Housing Master Plan, and more specifically our ability to provide more upper-income housing, will be a significant factor contributing to Mesa's ultimate success in attaining a more balanced jobs to housing ratio. As Mayor, my vision involves transforming Mesa from a bedroom community to a boardroom community. In order to be financially sustainable, we must develop additional businesses within our community.

We have quality infrastructure, outstanding schools and an excellent quality of life to aid us in our efforts. However, in order to be successful in recruiting more jobs for our residents, we also need to provide the balance of housing that employers seek, which includes affordable and middle-income options, but most importantly a concerted effort in addressing the gap in executive level housing options.

Sincerely,

A handwritten signature in black ink that reads "Keno Hawker". The signature is written in a cursive, flowing style with a large initial "K".

Keno Hawker
Mayor

Executive Summary

WHY A HOUSING MASTER PLAN?

On June 24, 2002, the City of Mesa City Council approved a major modification to its General Plan. *Mesa 2025: A Shared Vision* encapsulates Mesa's blueprint for growth as required by Arizona's Growing Smarter legislation.

The first stated policy of the approved Plan's Housing Element is to "create and ratify a Housing Master Plan, based on appropriate and correct data, in accordance with the Mesa General Plan Land Use Element, to guide residential policy through the Year 2025."

On December 19, 2002, Mesa's City Council approved the format for preparing a Housing Master Plan, which will serve as an extension of the Housing Element contained in the City's General Plan.

A Housing Master Plan can serve a vital role in the development of an adequate and healthy housing stock for a community. This Housing Master Plan is expected to take the City of Mesa in a new direction with thoughtful planning and unified policies for housing.

It is vitally important that the Plan provide the framework for decision-making by all those involved in providing and managing housing in Mesa's increasingly diverse housing market.

The Community Housing Task Force

To provide a balanced perspective of residential development issues in Mesa, a Community Housing Task Force (CHTF) was formed by the Mayor to propose specific

goals, objectives and implementation strategies to the City Council. This group was designed to be representative of the community in general, and to include the spectrum of housing professionals who could bring valuable insight into such a dynamic process.

Specifically, the Task Force was charged with identifying new methods to encourage home-ownership, housing rehabilitation and neighborhood revitalization. Additionally, the CHTF was tasked with the responsibility of identifying methods to promote affordable, workforce and high-end housing opportunities that facilitate and complement economic development strategies already in place.

HOUSING IN MESA

Greater Phoenix-Mesa is one of the most affordable major metropolitan areas in the country. According to the American Chamber of Commerce Research Association (ACCRA), housing costs in our region are about 10 percent below the national average, based on sales prices for existing single-family homes.

With 13 percent of the resale market and 13 percent of the new market, Mesa has increasingly become an important element of the region's housing market. Since Mesa is not an isolated community, but the second largest city in a growing Metropolitan area, it is affected by housing production and availability in the surrounding communities. However, in the absence of a larger regional housing plan, this document focuses on housing in Mesa.

Mesa Housing Profile

Mesa offers a wide range of housing at affordable prices. As a result, Mesa has a smaller percent of its total households experiencing an affordability gap—less than half of Phoenix’s and almost three times smaller than Tempe’s.

While the relative number of cost-burdened households is less in Mesa than in surrounding cities, and the income level at which the gap occurs is also lower, there are still thousands of households who are either paying too much for their housing or, in Mesa’s case, may have no home at all.

A study of housing stress related to Mesa’s current physical and economic conditions found, in general, that stressed areas of the City overlay the core areas of the city—a region that includes older, declining homes. Less stressed areas spiral out from this core.

The majority of Mesa’s housing stock is attractive and relatively affordable. This housing is in great demand based upon low vacancy rates and increasing housing prices. Mesa’s newer housing and desirable historic homes attract move-up buyers and renters, as well as many newcomers seeking executive and professional housing.

A CITY IN SEARCH OF BALANCE

As the population of Mesa grows by an estimated 62% during the next 25 years, it is critical to assure that a safe, appropriate and affordable housing stock will be



provided for this new population, as well as Mesa’s current residents.

Along with this challenge, the City of Mesa and its residents need to address the declining condition of the existing housing stock and residential areas to minimize the impacts on the community of deteriorating and sub-standard housing. It is also important to understand the needs of cost-burdened households throughout the city, and encourage appropriate housing opportunities.

As the City of Mesa matures, it will face challenges in maintaining the residential quality of life. The City must strive to maintain a healthy mix of housing and an available housing stock that is affordable and desirable for its citizens.

There are several major housing and neighborhood issues that Mesa must address as it continues to mature and grow. These issues are critical to the community's quality of life as well as its economic development efforts. The following is a discussion of these issues:

Executive and Professional Housing

Mesa has made great headway in attracting high-end housing through master planned communities and other new subdivisions that better meet the needs of executives and professionals who have located in the East Valley. It is important for Mesa to continue to provide the types of housing that appeal to these individuals as part of an overall effort to facilitate and attract basic high tech and corporate employers. Such employers often locate in communities that provide appropriate housing opportunities for their executive and professional staff. Executive and professional housing could have significant implications for the economic well-being of Mesa.

Manufactured Homes

Mesa's mobile home, manufactured housing and recreational vehicle parks account for a large percentage of the City's housing stock.

The availability of these affordable properties is an asset to lower-income households. However, older mobile homes may deteriorate faster than conventionally built housing. In some areas within Mesa's planning area, they sometimes lack public

streets, street lighting and sidewalks that exist in conventional neighborhoods. These factors suggest that the City should carefully examine proposals to rehabilitate and replace this housing.

Multiple Residence Housing

The City recognizes the need to provide adequate housing choices for all segments of its population. Multiple residence housing plays a critical role in accommodating persons of all economic classes. Multiple-residence housing plays an im-



portant role in the City's economic growth because it serves employees of hundreds of Mesa businesses whose employees live and shop in Mesa. Such housing also plays an important role in attracting new industry and retaining existing businesses in Mesa.

The City requires new multiple residence communities to meet and maintain standards of quality and environmental design which will preserve the City's valuable rental housing stock for the future needs of Mesa citizens.

Maintenance of Existing Neighborhoods

Maintaining existing housing and neighborhoods in the best possible condition is a primary issue in Mesa. In March 2000, Mesa voters approved the "Property Maintenance and Neighborhood Preservation Ordinance" that requires property owners to keep buildings and landscaping clean and repaired. The goal is to keep Mesa neighborhoods safe and attractive, and to maintain property values.

Preserving this affordable housing stock is an important objective. Neighborhood revitalization and housing preservation, along with the infill of vacant land within the urban areas of Mesa, may provide new opportunities for economically sustaining existing neighborhoods, as well as providing increased housing options.

Workforce Housing

Workforce housing is oriented toward the middle-income workforce that is employed in all sectors, but who do not command the income of executive and profes-

sional staff. It is important to recognize the need for this more moderately priced housing to meet the needs of this workforce.

Mesa has traditionally provided a significant amount of housing for moderate-income households. It is important to continue to provide these opportunities in safe neighborhoods with excellent services and infrastructure. This type of housing often caters to families with budgetary constraints, but who do not qualify as low-income.

Affordable Housing

Inherent in the concept of preserving existing neighborhoods is the preservation of an adequate supply of affordable housing—that is, housing that can be purchased or rented and maintained to a reasonable standard by persons of low or moderate-income. It is possible to provide quality housing for all residents of Mesa if all affected parties are willing to devote creative action and additional funding to that end.

Transitional and Supportive Housing

Housing is needed in Mesa for persons who are temporarily homeless and are striving to get off the streets and back to self-sufficiency. The community should make temporary shelter available for those who are willing to improve their livelihood, but need respite from the streets while they gain/regain the ability to live as independently as possible. The need for geographic dispersion and balance should be recognized in the location of group homes, halfway houses, and similar facilities. The City should consider the development of policies to ad-



dress the issues of geographic balance and the potential neighborhood impacts of these facilities upon all housing types and communities.

Master Planned Housing and Mixed-Use Developments

Unlike adjoining communities, Mesa has not enjoyed the number and benefits of master planned developments. Master planned communities usually include large tracts of land that have special amenities that often appeal to higher-income communities with extra privately operated amenities including parks, play areas and golf courses. They are often gated.

Master planned subdivisions play a major role in economic development, as they can be a primary means of providing the range of housing that suits the needs of the executive and higher-income employees of existing and newly locating employers. Master planned communities

tend to have higher value, on average, because of the amenities offered. The restrictions placed on property use and maintenance keeps the subdivisions in excellent physical condition. As Mesa continues to grow, opportunities to develop large, master planned areas are being lost, in part, due to a lack of effective financial, planning and regulatory tools.

A VISION FOR HOUSING IN MESA

As described above and in the Housing Element of Mesa's General Plan, the Community Housing Task Force focused on eight housing types and conditions. From February through April of 2003, the CHTF met with various representatives of community and housing interests from throughout the greater Phoenix area who gave presentations on issues ranging from manufactured housing viability to the future of Mesa's elderly population.

It was the intent of these sessions to inform the CHTF members and to challenge them to apply this information to Mesa. To structure this process in a logical manner, the CHTF focused on each of the following visioning themes, which have been summarized as follows:

1. ***Economic Development.*** It was during this first visioning session that the CHTF was exposed to the suggestion that Mesa's jobs, housing and population do not exist in a healthy state of equilibrium. Mesa's General Plan and Economic Development Strategy both support City policies that encourage a more even balance between jobs and housing.

It was noted that the imbalance, reflected in a jobs-

to-population ratio that contrasts poorly with other local communities, might be improved through complementary housing policies and the development of additional executive and professional housing units. As a background for Mesa's housing policy review, the CHTF was presented four key economic indicators, which are supported by Mesa's Economic Development Strategy.

2. ***Social Development.*** This visioning session focused on the relationship between various housing and human service needs in Mesa and the housing opportunities that affect these functions. Presenters included representatives of low-income/entry-level housing providers, homeless and at-risk persons, Mesa's Latino population, elderly citizens, and upper-income home-buyers.

Panelists and CHTF members focused on the various social needs in Mesa, and how those challenges are magnified by use, location, and design issues associated with the existing housing stock and the need to create geographic balance.

Community Housing Task Force members were asked to identify social issues that spoke to the reciprocal impact that housing has on the social issues on the City, and how these issues may evolve in the years to come. Most importantly, Task Force members discussed methods to enhance the positive social trends in Mesa and addressed techniques to diminish the negative ones.

3. ***Physical Development.*** During the Physical Development session, the CHTF was exposed to various land use relationships and housing types that may either contribute to, or detract from, a healthy and vital housing stock.

Community Housing Task Force members heard from a panel of speakers who possess expertise in historic district housing and rehabilitation, multiple family dwellings, manufactured and mobile housing and master planned communities. Specific attention was drawn to Mesa's historical growth patterns and to the influences that continue to shape the community's growth today.

The growing need to enhance the City's sub-area planning process and neighborhood outreach programs was discussed in subsequent discussions among CHTF members, as were the critical planning themes of location, design and use in creating balance.

Housing Goals

In reviewing these visioning themes, the CHTF agreed that achieving the *goal* of balancing infill, revitalization and quality housing development with the overall economic development goals for Mesa is vital to the establishment of a healthy community.

Specifically, opportunities must exist to revitalize the mature neighborhoods in west Mesa, which have become increasingly challenged by an aging or poorly maintained housing stock, inadequate commercial opportunities,

gentrification and many other attendant social problems. A balance is needed to attract higher-income residents and newcomers to older parts of the community.

The greenfields in east Mesa must also present opportunities to attract a new workforce population and executive housing options, which will facilitate commercial and industrial growth, and thus improve the jobs-per-capita ratio in the city.

Applying this philosophy to the Housing Master Plan, the CHTF focused on several desired attributes of future housing development in Mesa. These qualities assisted the group in framing a Vision Statement for the Housing Master Plan.

A VISION FOR HOUSING

From these beliefs and values, the CHTF crafted the following Vision Statement.

Mesa's Housing Vision Statement

Mesa is recognized for developing a city with cultural identity that complements a solid core of schools, parks, and civic infrastructure. Our vision is to promote a city with healthy and revitalized neighborhoods that residents are proud to call home. These neighborhoods are integrated into the community, and are linked by individuals and families working together to achieve:

Balance. We envision a city that is recognized for a balanced housing stock that supports an increasingly diverse population and economy through the development of a diverse mix of residential land uses and housing op-

tions throughout the City.

Revitalization. We envision future growth encouraging and facilitating infill development, neighborhood revitalization, and quality housing to promote the overall economic development goals of Mesa and establish and maintain a healthy and growing community.

Compatibility. We envision a community that supports and encourages residential design that is community-friendly and compatible with neighborhood character that provides adequate buffering between existing, stable neighborhoods, new residential developments and incompatible adjacent land uses.

Economic Development. We envision inclusive residential and mixed-use communities that attract and retain a broad spectrum of the workforce, which will facilitate commercial and industrial growth, increase the jobs-per-capita ratio and improve the quality of life for everyone.

Character. We envision a community that not only permits, but also encourages unique design and land use alternatives that both celebrate Mesa's heritage and cultures and promote economic development throughout the City.

Innovation. We envision the development of both new and renewed neighborhoods that reflect Mesa's desire to apply unique and flexible design processes to create livable urban areas that include a wide variety of housing choices.

With this vision in place, the Task Force adopted the following goals:

TARGET HOUSING GOALS FOR MESA

By the Year 2025, Mesa will:

- Increase housing production to meet the projected population growth for all income groups;
- Reduce the housing gaps in the upper and lower-income levels by 50%; and,
- Define, determine and reduce by at least 50% the number of housing units in substandard or deteriorated condition.

IMPLEMENTATION STRATEGY

Implementation of the Master Housing Plan and the accomplishment of its objectives depend heavily upon the support and cooperation of a number of community stakeholders. In addition, many of the policies contained in the City's General Plan and in this Master Plan require additional resources and, in some cases, legislative or regulatory change.

As a bridge between the General Plan's twenty-five year horizon and the more comprehensive action steps of such other documents as the City's General Plan, Economic Development Strategy, and the Action and Consolidated Plans, the Housing Master Plan offers a series of recommendations to initiate both short (1-5 year) and longer-range (1-10 year) goals and objectives.

While covering the remainder of the decade and beyond, steps can and should be taken to put most of these tools



and their implementing strategies to good use much sooner. Often a new program requires additional funding that must be raised before the program can be implemented. Similarly, many plans depend upon regulatory and financial incentives to make them a reality.

To achieve its objectives, this Plan offers a series of recommendations, and a wide range of productive tools to implement them, that are divided into four policy groups: *programs, regulations, financing and planning*. Together, these tools will be able to effectively impact the supply, demand, and potential investment in Mesa's housing and neighborhoods for many years to come.

The Plan's Implementation Strategy Matrix presents these tools and recommendations by each of the four policy groups. The Matrix describes each tool in terms of its

local application and the time-line and resources required to bring about its implementation.

Mesa's Housing Board

While the City of Mesa now possesses the initiative to activate various mechanisms to create and stabilize quality housing throughout the City, an advocacy group does not yet exist to ensure that these tools are provided a forum for deliberation and support. To provide this leadership, the Community Housing Task Force strongly recommends the creation of a balanced, City Council-appointed Advisory Housing Board, which will serve as the primary advocate for the implementation of the Housing Master Plan.

This group will also provide technical expertise on housing and neighborhood issues to other advisory boards and City of Mesa staff, when appropriate. Supplementing this effort will be the continued participation of the Housing and Neighborhood Revitalization Roundtable, which has been meeting for nearly four years for the specific purpose of generating thoughtful ideas to improve the built environment in Mesa.

To be truly effective in its role as the principal advisor on housing issues in Mesa, it is critical that the new Housing Board be comprised of members who reflect the full gamut of housing and community interests. At a minimum, these participants should represent lenders, home-builders, developers, non-profit entities, community housing groups, special needs housing providers, economic development professionals and Mesa residents and

business owners.

Outside its own boundaries, Mesa is part of a growing metropolitan area comprised of numerous cities. The housing needs of all of the Valley's residents would be well served by developing a Regional Housing Plan. By moving forward with its own Master Housing Plan, Mesa is in a position to effectively join its neighboring communities in crafting a regional plan.

INTRODUCTION

The Role of Housing

Everyone needs a place to live, regardless of age, job, race, disability, income or station in life. Although housing has often been cast as a “social” issue, it is in fact a broader concern, cutting across many disciplines.

Housing has held the key to social and economic success for most Americans. As the American dream, housing has bolstered both personal wealth and community assets for many generations.

The housing industry is a key contributor to our country’s economic well-being and to the growth of most local economies. Good housing promotes economic opportunity and a productive workforce. It also contributes to safe communities, increased property values and upward mobility.

If it fails to address these basic needs, the cost to society is enormous. Growing bodies of research agree that without a safe, secure and affordable home, it is difficult to obtain and maintain employment, stay mentally and physically healthy and grow as functional families.

Ironically, the economic growth of recent years has contributed to the housing pinch. Increasingly, the wages of the gainfully employed have not kept pace with spiraling housing costs, thanks in part to the nationwide shift toward a service-industry economy. These wage earners are every community’s sales clerks, child-care workers, school bus drivers and food service workers. In many



communities, they are also entry-level teachers, police and administrative personnel seeking workforce housing.

For these reasons, most communities are concerned with housing quality, affordability and choice, not just as a matter of social equity, but as a fundamental element of community viability. This concern calls for effective and coordinated planning and public policies that integrate housing wholly into local decision making processes, and plans for community facilities and infrastructure, environmental quality, economic development and transportation.

Mesa, with a population of well over 400,000 residents, is one of the most populous suburbs in America. A city of such magnitude not only stretches the urban fabric within its borders, but also challenges the connections which allow it to operate efficiently.

To many residents of the Phoenix metropolitan area, the City of Mesa has long been perceived as a quiet bedroom

community that has continued a course of simple development patterns and consistent residential expansion. Well known for its cultural and civic amenities, Mesa is not as celebrated for its entertainment, recreation, shopping or restaurant amenities.

As demonstrated in the following series of maps, Mesa grew significantly during the last half-century. With available land upon which to build dwindling, Mesa is now struggling with growth and revitalization that will determine the City's quality of life for decades to come. In essence, Mesa is caught between the need to ensure the economic and fiscal needs of the City by facilitating growth, while preserving a good quality of life that characterizes a stable community.

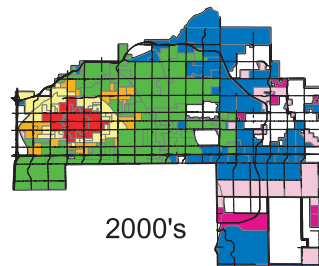
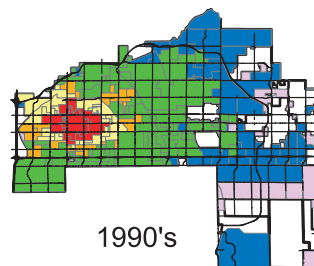
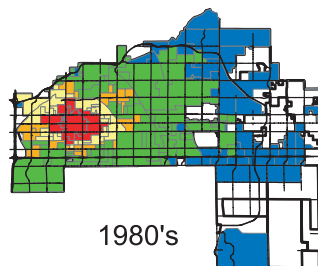
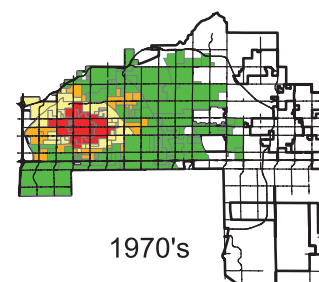
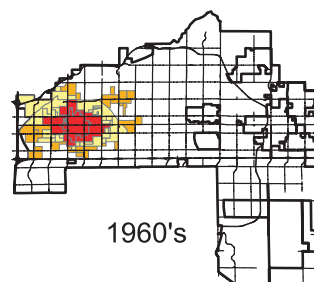
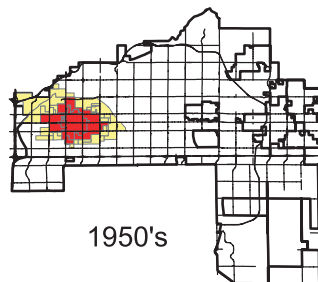
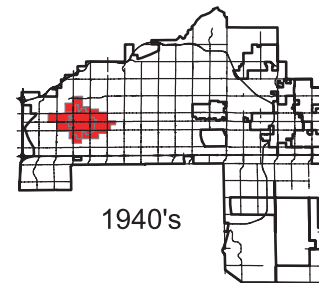
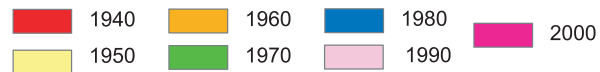
Of primary concern is how to balance the explosive residential, office and commercial developments on the east side of the city, with the growing need to revitalize and attract new investment to the older, more diverse neighborhoods in west Mesa.

This conflict of extremes represents the variable growth environment in Mesa today. As one of the most important links in this dynamic environment, housing revitalization and development must be thoroughly investigated and carefully planned.

“Decent affordable and accessible housing fosters self-sufficiency, brings stability to families and new vitality to distressed communities and supports overall economic growth. In the process, it reduces a host of costly social and economic problems that place enormous strains on the nation’s education, health, social services, law enforcement, criminal justice and welfare systems.”

Millennial Housing Commission Report,
Why Housing Matters, 2002

Growth Over the Years Mesa Past/Present/Future



Mesa's Housing Initiatives

In September 1999, the City of Mesa began a series of community discussions, known as the Housing Revitalization Roundtable, to look at issues related to its aging housing stock. The Roundtable included elected officials, community leaders, nonprofit agencies, professional organizations, neighborhood representatives and City staff. Discussions centered on how to preserve and revitalize Mesa's housing stock and identify barriers that might impede revitalization.

Accomplishments

The Roundtable, later renamed the Housing and Neighborhood Revitalization Roundtable, soon presented its recommended FY 2000/01 Action Plan to the City Council. Its recommendations included potential financing mechanisms; education, recognition and reward tools; a code enforcement strategy; neighborhood-based planning initiatives.

Based upon this discussion, City government was restructured to create the Neighborhood Services Department, and a greater emphasis was placed upon maintaining and improving Mesa's existing housing stock and strengthening its neighborhoods. Other accomplishments that were influenced by the Roundtable included:

- A Property Maintenance Code was approved by the voters in March 2000.
- Additional Code Compliance and Neighborhood Outreach staff was hired.

- A Neighborhood Planner position was created and filled.
- A Neighborhood Services Marketing and Communications position was created and filled.
- The Neighborhood Registration program was expanded.
- Five neighborhoods were identified as Opportunity Zones for stabilization and revitalization.
- Increased federal CDBG funds were allocated for housing rehabilitation.
- A Community Development Financial Institution (CDFI) was established.
- An annual Neighborhood Conference was developed to recognize and reward neighborhood organizations and to offer education on neighborhood issues.

Roundtable Progress

As these recommended actions progressed, a new group began meeting in April 2001, the Housing Policy Development Subcommittee of the Housing and Neighborhood Revitalization Roundtable. One of its first goals was to become involved in the development of the Housing Element of the City's proposed General Plan update, *Mesa 2025: A Shared Vision*.

The Subcommittee began a dialogue with the authors of the Housing Element, as well as the community at-large, about the importance of housing. Subcommittee members became involved in the General Plan process and



participated in workshops held to solicit citizen input about housing issues in each of Mesa’s six City Council districts. The Housing Element of the proposed General Plan received increased exposure and community involvement due to these efforts and the work of many other stakeholders.

Adoption of the General Plan

On June 24, 2002, the Mesa City Council approved a major modification to its General Plan. *Mesa 2025: A Shared Vision* encapsulates Mesa’s blueprint for growth, as required by Arizona’s Growing Smarter legislation.

The first stated policy of the approved Plan’s Housing Element is to “create and ratify a Housing Master Plan, based on appropriate and correct data, in accordance with the Mesa General Plan Land Use Element to guide residential policy through the Year 2025.”

The Housing Element of the plan identified the following goals:

- Ensure that housing is safe, decent and sanitary; encourage residential design that is community-friendly and compatible with the neighborhood character.
- Promote the preservation and development of high quality, balanced and diverse housing options for persons of all income levels throughout the City of Mesa.
- Encourage the development of an appropriate mix of residential land uses throughout the City. Protect and preserve existing, stable neighborhoods and new residential developments from incompatible adjacent land uses.

The Housing Element focused on the following three themes to implement these goals:

Quality—Ensure that housing is safe, decent and sanitary; that design is community friendly and will be compatible with neighborhood character;

Fairness—Promote the preservation and development of a variety of housing choices that provide affordable housing options for all income levels in all of Mesa’s neighborhoods;

Location—Ensure that residential areas are appropriately located and protected from incompatible and/or noxious land uses.

In addition, the Housing Element identified some of the



major housing and neighborhood issues in Mesa centering around:

- Executive and Professional Housing
- Manufactured Homes
- Multiple Residence Housing
- Maintenance of Existing Neighborhoods
- Workforce Housing
- Affordable Housing
- Transitional and Supportive Housing
- Master Planned Housing and Mixed Use Developments

The Implementation Strategies section of the General Plan identifies tools to be utilized in developing Mesa's housing policy:

- (1) A Housing Master Plan that is consistent with the Housing Element of the General Plan, including analysis of housing trends, consideration of inclusionary/incentive zoning, evaluation of City ordinances and policies, evaluation of funding sources and consideration of public/private partnerships; and,
- (2) Modifications to the Zoning Ordinance, Subdivision Regulations, Landscape Ordinance and companion codes to implement the policies of the Housing Element and the provisions of the Housing Master Plan.

Through the General Plan development process, two other mechanisms were identified as vital components of housing policy and neighborhood revitalization:

■ Neighborhood and Sub-Area Planning

The City of Mesa General Plan reflects the City's renewed commitment to neighborhood-level and sub-area planning processes. A total of seven community sub-areas have been defined in the *Mesa 2025: A Shared Vision* document. These areas have been identified because they exhibit a special history, economy or character, and because active citizen leaders have championed them.

The Mesa Grande area, for example, includes several square miles in northwest Mesa that represent some

of the oldest and most densely populated areas in the city. An active and politically effective coalition of neighbors, business leaders and City staff helped to identify this region as a true character sub-area in Mesa. Another sub-area, the Desert Uplands, also includes very active citizen representatives who have successfully worked with City staff and elected officials to create special design guidelines that are unique to the area.

In addition, Mesa has demonstrated a commitment to ensuring effective citizen participation in several designated neighborhoods through the Opportunity Zone program. Initiated in the spring of 2001, this program has already helped residents within the Pilot Opportunity Zone organize into a cohesive unit that communicates successfully with City Hall and more effectively accesses neighborhood services.

Elected officials have created a citizen participation ordinance that will put in regulatory form a series of requirements that developers must adhere to in order to ensure the effective and efficient involvement of residents who are affected by growth opportunities.

■ Infill Development Policy

Perhaps the most intricate of the many housing and neighborhood-based applications to be considered by the City of Mesa will be an infill development policy. This policy will establish the mechanism for implementing various infill tools for both commer-

cial and residential development.

Staff is currently exploring how this very dynamic and complicated issue can be addressed through the City's existing regulatory processes. Options being considered include: 1) infill incentives such as fee waivers, process streamlining, and density bonuses; 2) special area plans; and, 3) unique design guidelines. Key to the policy's development will be judging the impact of new development, residents and businesses on existing services and infrastructure.

"Housing is a critical element of many other planning activities because housing typically accounts for 70 to 80 percent of urban land uses. How sites are allocated for new housing development and redevelopment determines the shape and form of metropolitan areas."

The Practice of Local Government Planning

Why a Housing Master Plan

On December 19, 2002, Mesa's City Council approved the format for preparing a Housing Master Plan, which will serve as an extension of the Housing Element contained in the City's General Plan.

Most commonly, these plans serve as the housing-related policy guide for their respective cities. In essence, they

provide the blueprint for future residential policies. Additionally, most Housing Plans present a history of housing processes and organizations, and frequently supply valuable demographic and housing stock data that support the goals and objectives found within the plan.

In Mesa, a Community Housing Task Force (CHTF) was formed by the Mayor to propose specific goals, objectives and implementation strategies to the City Council. This group was designed to be representative of the community in general, and to include a spectrum of housing professionals who could bring valuable insight into such a dynamic process.

Specifically, the Task Force was charged with identifying new methods to encourage home ownership, housing rehabilitation and neighborhood revitalization. Additionally, the CHTF was tasked with the responsibility of identifying methods to promote workforce and high-end housing opportunities that facilitate and complement economic development strategies already in place.

The Housing Master Plan is expected to take the City of Mesa in a new direction with thoughtful planning and unified policies for housing. While some policies that are supported by the Housing Master Plan will require more detailed development and subsequent review and approval by the City Council, it is vitally important that this Plan provide the framework for such decision-making.



HOUSING IN MESA

Introduction

The MONEY 16th Annual Popularity Ranking recently looked at how America's hottest big cities fared on two broad measures: the rate of population growth and what they call the "housing premium ratio", or the cost of residential real estate relative to local incomes. How did our community fare? Mesa was ranked 11th in the nation, the highest ranking received by any community in the State of Arizona.

Other measures demonstrate that:

- **Greater Phoenix-Mesa is one of the most affordable major metro areas in the U.S.** The overall cost of living in Greater Phoenix-Mesa is comparable to the national average. However, it is interesting to note that metropolitan area cost of living tends to increase proportionally with population size. Given that fact, Greater Phoenix-Mesa is one of the most affordable major metropolitan areas in the country.
- **Housing costs are one of the largest components of cost of living.** According to the American Chamber of Commerce Research Association (ACCRA), housing costs in our region are about 10 percent below the national average, based on sales prices for existing single-family homes.
- **Mesa is an important element of the region's housing market.** With 13 percent of the resale

market and 13 percent of the new market, Mesa has increasingly become an important element of the region's housing market. Since Mesa is not an isolated community, but the second largest city in a growing Metropolitan area, it is affected by housing production and availability in the surrounding communities. However, in the absence of a larger regional housing plan, this document focuses on housing in Mesa.

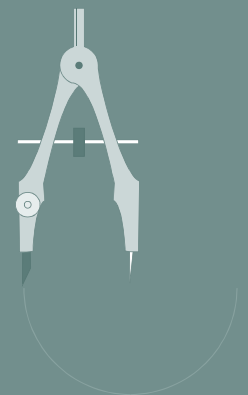
- **Mesa offers a wide range of housing at affordable prices.** Mesa homes are relatively affordable, with the 2002 median sale price of new homes at \$160,875, and \$126,500 for resale homes.
- **Mesa offers an attractive and desirable housing stock** for executives, newcomers and move-up residents.

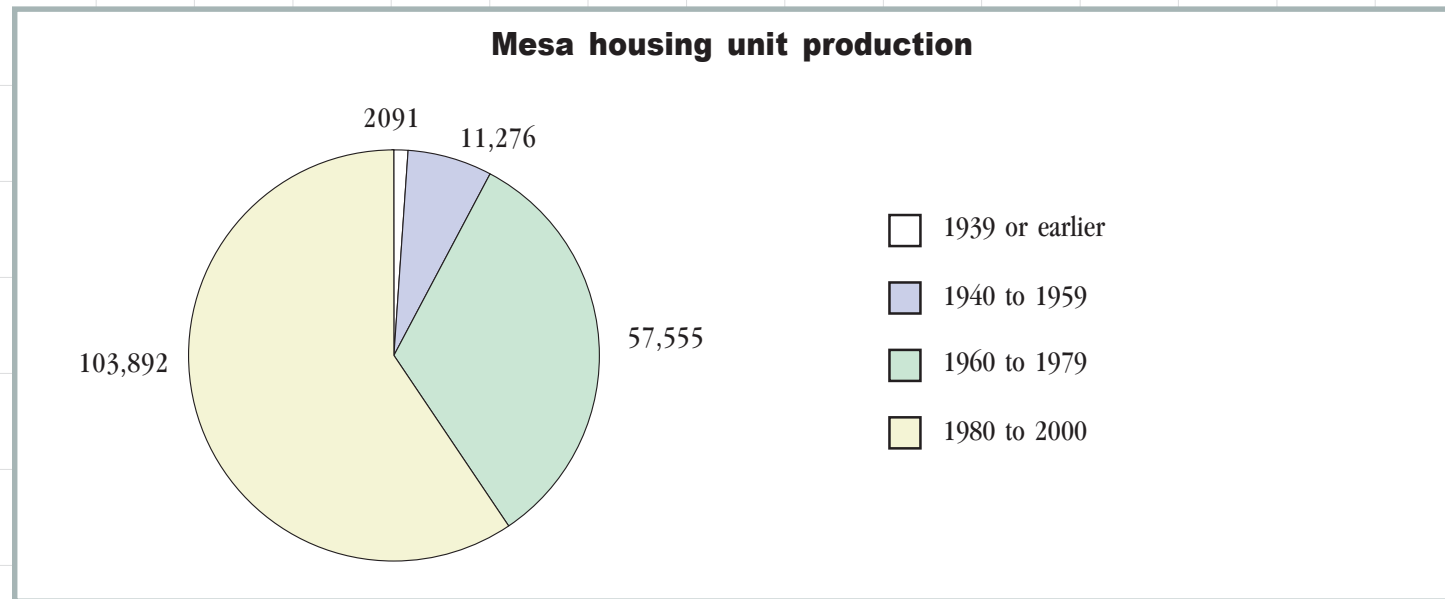
Mesa Housing Profile

Housing Production

While housing production did not keep pace with household growth, the City still gained 35,233 units during the nineties to reach its 2000 total of 175,701. Single-family detached homes are the most prevalent type of housing in Mesa and compose 48.4 percent of the total housing stock. Second are mobile homes, which make up 17.6 percent of the stock.

The following chart reflects Mesa's immense growth that began in the 1980s. Units built after 1980 make up 59.4% of the City's housing stock.





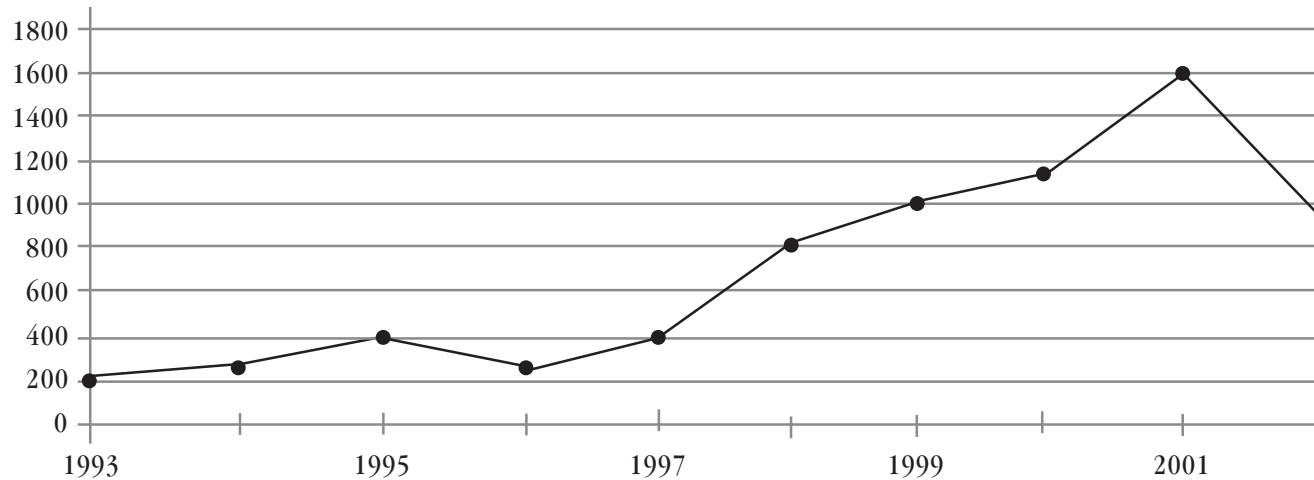
Housing Stock and Property Condition

The likelihood that a housing unit will need some sort of rehabilitation or repair increases as the unit ages. Approximately 5,000 units in Mesa are more than 50 years old and, therefore, could potentially benefit from some type of rehab. This number increases to nearly 65,000 units or 40 percent of the entire housing stock if units with potential lead-based paint hazards (those built before 1979) are considered.

In addition to housing quality and building standards, Mesa enforces a property maintenance code to maintain safe, clean and attractive properties. The following chart indicates the number of public nuisance and property maintenance civil citations that were issued from 1993

to 2002. Inspectors seek voluntary compliance with the provisions of the Zoning Ordinance through notices of violation or warnings; civil citations are issued when voluntary compliance is not met. The rise in citations could indicate an overall decline in properties as well as an increase in enforcement resulting from a new Property Maintenance Code, which voters passed in 2000, and a subsequent hiring of additional Code enforcement Officers. The more recent decline may be due to several factors, including an increased public awareness of code requirements, a reduction in work force, better utilization of special programs that help reduce code violations and increased efforts to resolve violations prior to issuance of a citation.

Public nuisance and property maintenance citations



Mobile Homes

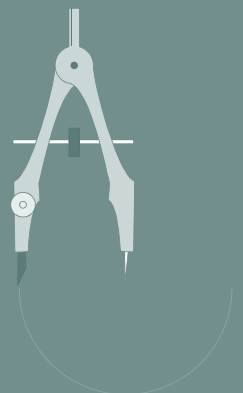
According to the 2000 census data, there were 27,752 mobile home units in Mesa. These comprise approximately 18% of the City's housing stock, which is a significantly higher percentage than other Arizona communities. The percentages of mobile home stock in other metropolitan cities in the Phoenix area range from 0.4% to 8.3% of all housing stock. In Mesa, the average age of these units is 24 years old.

Because this type of housing may be the only affordable choice available to very low income populations, any programs developed to remove substandard mobile home stock must take into consideration the possible displacement of households. The Arizona Affordable Housing

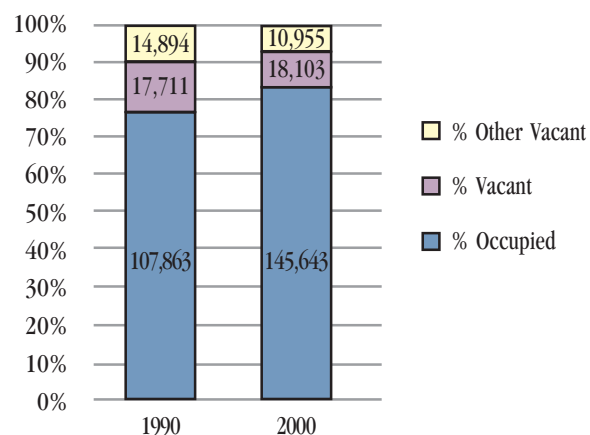
Profile demonstrated that there were 25,128 mobile home units available to Mesa households earning less than \$25,000 annually. The City may want to consider research of other successful programs nationwide and work to develop a program that fits the needs of Mesa.

Vacancy Rates

As Mesa's population and households increased significantly during the nineties, housing production could not fully meet the City's growing demand. As a result, the housing market tightened, and the City's vacancy rate of 24 percent in 1990 dropped to 16 percent in 2000. The majority of Mesa's vacant units continue to be attributed to seasonal, recreational or occasional use.



Occupied versus vacant units 1990 and 2000



Vacancies

Forty percent of all recreational vehicles (RVs), vans and boats used for housing were vacant in 2000. Similarly, nearly 32.7 percent of all mobile homes were vacant. A portion of these vacancies, however, is due to seasonal or recreational uses. The smallest proportion of vacancies was among single-family detached homes, which had a 5.3 percent vacancy rate.

Rental Housing

The average apartment rental in Mesa ranges from \$558 for a one-bedroom to \$883 for a three-bedroom unit. The U.S. Department of Housing and Urban Development (HUD) determines Fair Market Rents (FMRs) for the

Phoenix-Mesa Metropolitan Statistical Area (MSA). As illustrated in the chart below, rents in the greater metro area tend to be higher outside the City of Mesa.

Average and fair market rents

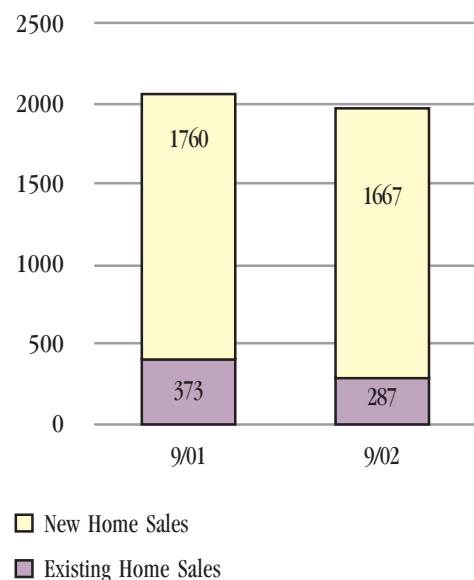
	Mesa Average Rents	Phoenix-Mesa MSA FMR (2003)
Zero		\$530
One	\$558	\$641
Two	\$665	\$806
Three	\$883	\$1,121
Four		\$1,320

Source: U.S. Department of Housing and Urban Development

Home Sales

While the total number of single-family homes sales decreased in 2002, the ratio of new home sales to total sales remained nearly the same (17.5 percent in 2001 and 14.7 percent in 2002). The chart below compares sales during the third quarters of 2001 and 2002.

Comparison of new and existing single-family home sales



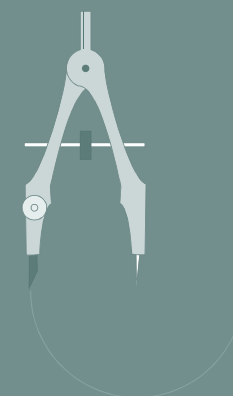
Source: Arizona State University Real Estate Ctr.

Sales Prices

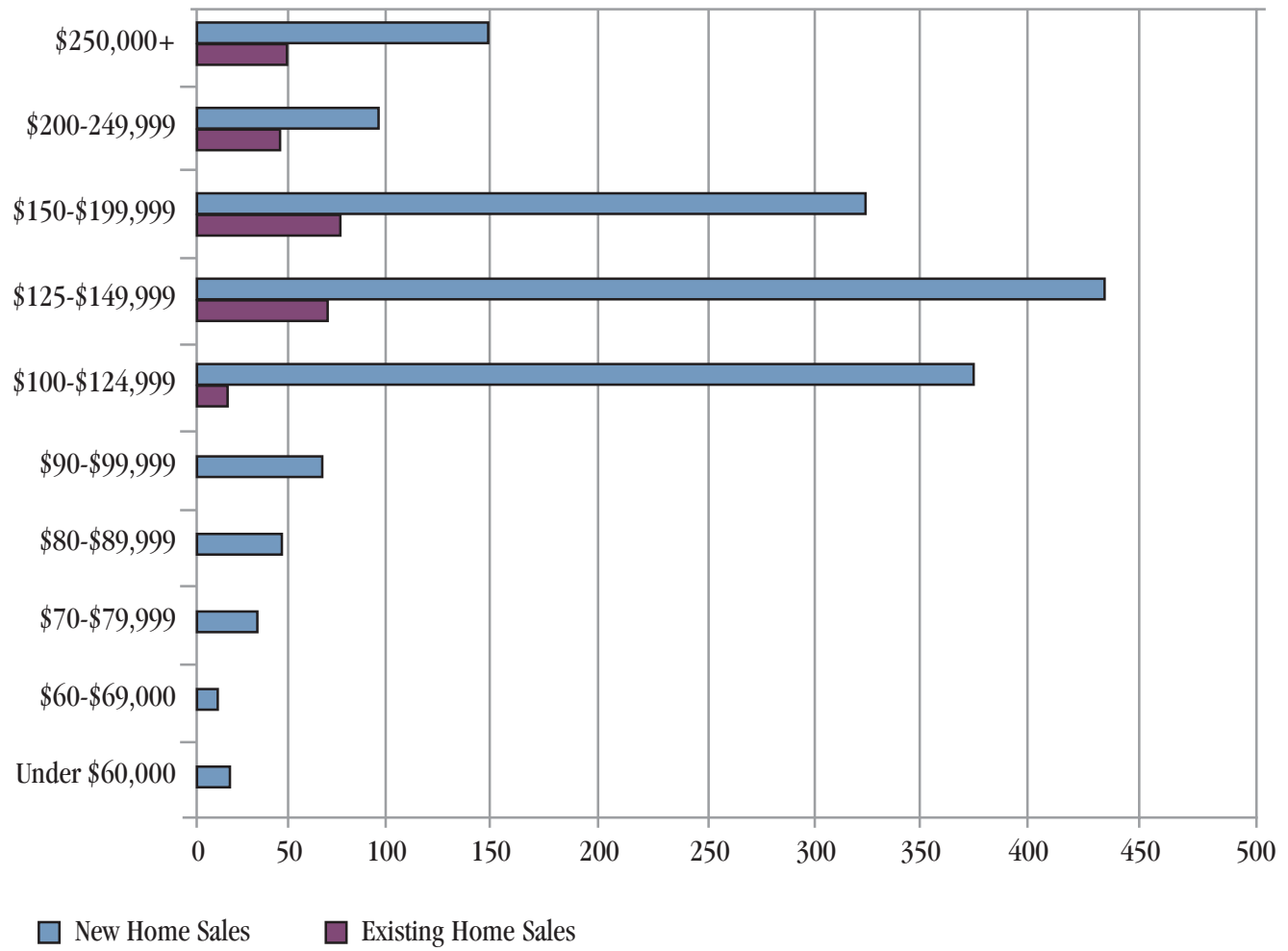
The Arizona Real Estate Center of Arizona State University records single-family new and existing sales data for three sub-areas in Mesa: North, South and East Mesa. During the fourth quarter of 2002, the median sales price for new single-family homes ranged from \$149,300 in South and North Mesa to \$163,400 in East Mesa. The

median sales price for existing homes ranged from \$133,500 in North Mesa to \$135,000 in South Mesa and \$144,950 in East Mesa.

The two charts on the following pages show the distribution of new and existing single-family home sales among price ranges. As illustrated in the charts, new homes tend to start at \$100,000 and above, with the greatest number of sales in the \$150,000-\$199,999 price range. Existing homes, on the other hand, sold at all price ranges, from under \$60,000 to over \$200,000. Most homes fell within the \$125,000-\$149,000 range.

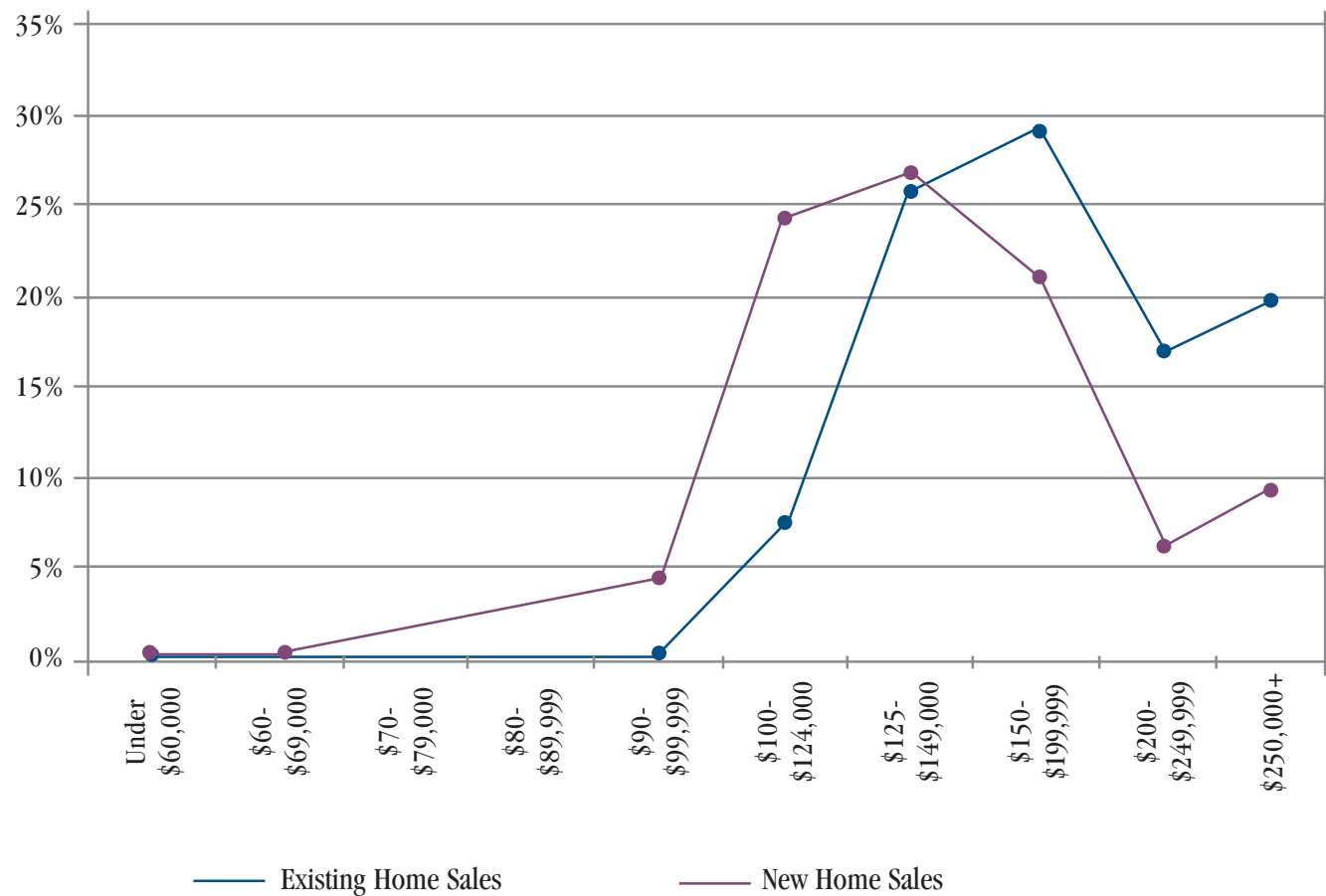


Mesa home sales: 4th quarter 2002



Source: Arizona State University Real Estate Center

Distribution of existing and new home sales 4th quarter 2002



Source: Arizona State University Real Estate Center



Minimum wages needed for home purchase

	<u>Income Range</u>	<u>% of County Median Income</u>
New Home, lowest median sales price	\$46,000-\$50,800	107-119
New Home, highest median sales price	\$50,400-\$55,600	118-130
Existing Home, lowest median sales price	\$41,200-\$45,400	96-106
Existing Home, highest median sales price	\$50,400-\$55,600	104-115

Minimum Wages Need for Home Purchases

Using the average and fair market rents and the median sales prices of new and existing homes discussed, the above analysis displays the “housing wage” a household must earn in order to rent or purchase a unit without paying more than 30 percent of monthly income for housing.

The figure above shows the income range a household must earn in order to buy a new or existing home in Mesa, according to the lowest and highest median sales prices recorded in the fourth quarter of 2002. The income range for new home purchases ranges from \$46,000 to \$55,000 and from \$41,200 to \$55,600 for existing home purchases.

Even though Mesa’s housing is relatively affordable compared to surrounding East Valley communities, many are still not able to own a home in Mesa. As shown in the following table, *Affordable home sales prices for select*

occupations, many occupations do not pay enough to afford the lowest median sales price home in Mesa (assuming a 7-8 percent mortgage rate), which requires a median income of approximately 98 percent of the area median income.

A similar analysis of renter incomes reveals an even greater disparity. A Mesa renter who can afford the 2003 fair market rent for a two-bedroom unit can only afford to purchase a home that is 78 percent of the lowest median existing sales price, or 70 percent of the lowest median new sales price.

Affordability Gap

The U.S. Department of Housing and Urban Development (HUD), in conjunction with Arizona Department of Housing and Arizona Housing Commission, commissioned Elliott D. Pollack and Company to conduct an Arizona Affordable Housing Profile. The study used 2000 Census data to arrive at an affordability gap calculation

Affordable home sale prices for select occupations

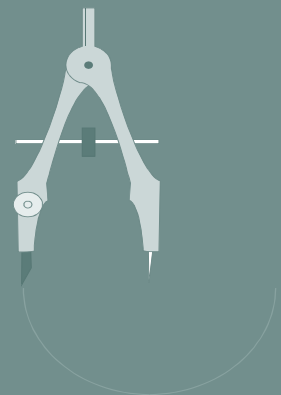
<u>Occupation</u>	<u>50th Percentile Salary</u>	<u>Percent of Median Income</u>	<u>Affordable Mortgage Range</u>
General Laborer	\$16,952	39.6%	\$47,400-\$52,200
Receptionist	\$21,674	50.6%	\$60,600-\$66,800
Counter and Retail Clerk	\$23,982	56.0%	\$67,000-\$73,900
Accounting Clerk II	\$25,667	59.9%	\$71,700-\$79,100
Medical Lab Technician	\$29,286	68.4%	\$81,800-\$84,200
Mechanic Technician	\$32,323	75.5%	\$90,300-\$93,000
Market Research Analyst I	\$38,376	89.6%	\$98,800-\$118,200
Network Control Technician III	\$42,245	98.7%	\$118,000-\$121,500
Webmaster	\$50,398	117.7%	\$140,800-\$155,300
Mainframe Programmer II	\$56,971	133.1%	\$159,200-\$163,800

by counting the number of households at different income levels currently living in Arizona as well as surveying the inventory of market-rate and assisted units available at those same income levels, utilizing the following assumptions: 28 percent of income for housing, 8.15 percent interest rate, 5 percent down payment and median household income of \$42,817.

The *Mesa gap data* chart summarizes the Pollack Company's findings for Mesa. Of greatest significance to Mesa's Housing Master Plan is the observation that Mesa's affordability gap—the difference between the cost of a housing unit and the income available to make the required mortgage payment—occurs at 23 percent of the Area Median Income (AMI). By contrast, affordability

gaps occur at much higher income levels in surrounding East Valley cities. Tempe (47%), Chandler (43%) and Gilbert (51%), for example, all contain housing gaps that reflect less overall affordability than Mesa's housing.

As shown below, in the *Affordability gaps of Maricopa County cities table*, Mesa has a smaller percent of its total households experiencing an affordability gap, less than half of Phoenix's and almost three times smaller than Tempe's. As a percentage of median income, Mesa's gap occurs at almost half that of its surrounding communities.



Mesa gap data

Percent of Median Household Income	Income Range		Number of Households	Total Units Available	Gap	Cumulative Gap
	Low	High				
23% (Total Gap)	\$0	\$9,999	8,755	1,353	(7,401)	(7,401)
	\$10,000	\$14,999	8,101	11,202	3,101	(4,300)
	\$15,000	\$19,999	9,189	12,603	3,414	(887)
	\$20,000	\$24,999	9,864	22,252	12,388	11,502
	\$25,000	\$29,999	10,516	18,221	7,705	19,207
	\$30,000	\$34,999	10,607	14,916	4,309	23,516
	\$35,000	\$39,999	10,162	10,537	375	23,891
100%	\$40,000	\$44,999	9,503	14,159	4,656	28,547
	\$45,000	\$49,999	8,806	12,645	3,839	32,386
	\$50,000	\$59,999	15,120	14,036	(1,084)	31,302
	\$60,000	\$74,999	16,362	7,830	(8,532)	22,770
	\$75,000	\$99,999	15,630			
	\$100,000	\$124,999	7,069			
	\$125,000	\$149,999	3,020			
	\$150,000	\$199,999	2,319			
	\$200,000	\$0	1,620			
	\$75,000+		29,658	8,434	(21,225)	1,545
Total			146,643	148,188		

Affordability gaps of Maricopa County cities

City	Gap Households	Total Households	% of Total Households	Gap As % of Median Income
Chandler	5,396	62,377	8.70%	43%
Gilbert	2,609	35,405	7.40%	51%
Glendale	5,821	75,700	7.70%	33%
Mesa	7,401	146,643	5.00%	23%
Phoenix	47,588	465,834	10.20%	49%
Scottsdale	12,560	90,669	13.90%	43%
Tempe	9,436	63,602	14.80%	47%

Source: Arizona Affordable Housing Profile, Findings and Conclusions 2002; Arizona Housing Commission, Arizona Department of Housing and U.S. Dept. of Housing and Urban Development.

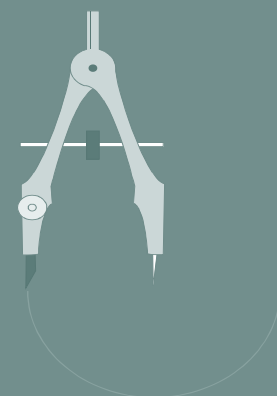
Households Experiencing a Cost Burden

HUD's threshold for affordability is a household paying no more than 30 percent of its monthly income toward housing expenses. HUD considers a household paying more than 30 percent to be cost burdened and a household paying more than 50 percent to be severely cost burdened. The table below displays the number and percent

of households experiencing this problem. The severely cost burdened households are a vulnerable population that is at risk of becoming homeless if it cannot sustain its monthly rent/mortgage payments.

Cost-burdened households

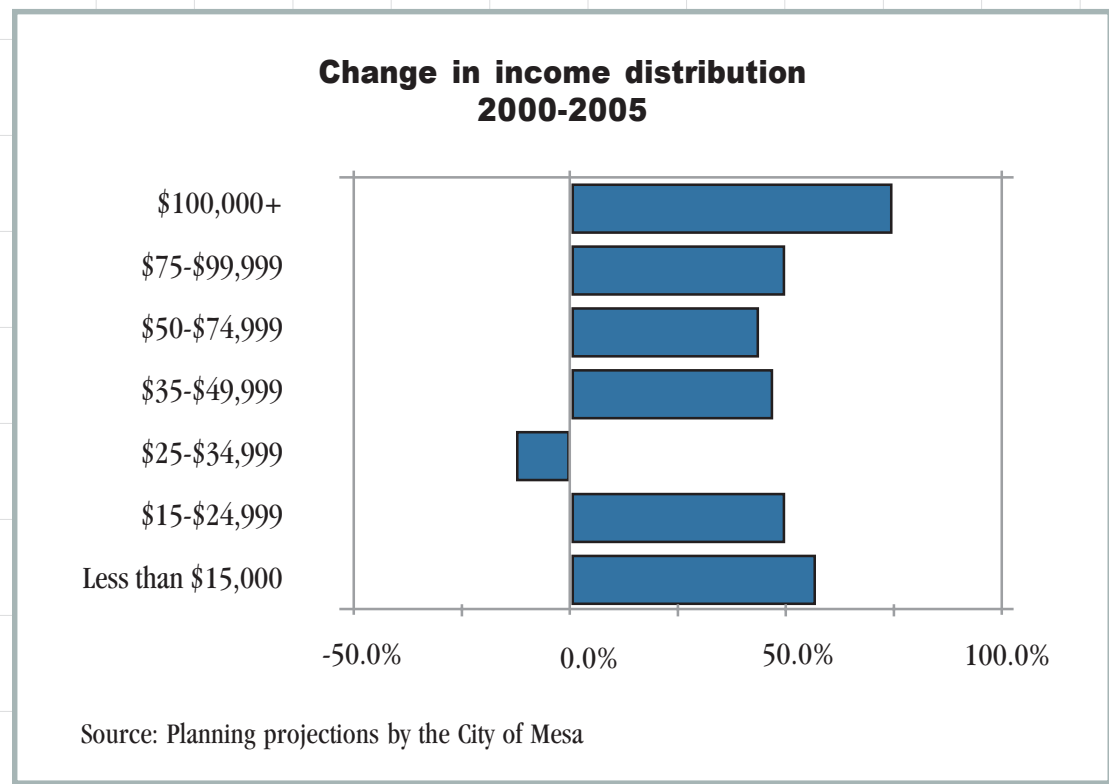
	<u>Cost Burdened</u>		<u>Severely Cost Burdened</u>	
Renters	19,133	40.7%	8315	17.7%
Households with a mortgage	15,868	25.6%	4439	7.2%



Income

According to projections by the City Planning Department and Applied Geographic Solutions, Inc., Mesa's median household income is projected to be \$48,285 by 2005. The following chart, *Change in income distribution*, shows the percent increase per income bracket from the Census 2000 figures. As illustrated, the largest percent growth is estimated to take place in the uppermost income brackets, followed by the two lowest.

If income dispersion takes place as projected, there will be an estimated 59 percent increase in extremely low-income households—those earning 0 to 30 percent of the County's median income. Similarly, there will be a 49 percent increase in very low-income households (31-50 percent of the



median income). At the other end of the spectrum, households that earn over \$100,000 (207 percent of the median income) will increase by nearly 87 percent.

While these percentages are significant, each of these population groups comprises 13 percent of the projected total population. The only group projected to lose population is the \$25-34,999 category, those at 52 to 73 percent of the median income.

These workers are critical to sustaining the region's service-oriented economy. Loss of these employees would have significant repercussions for Mesa's economy, as would a reduction in higher-income households.

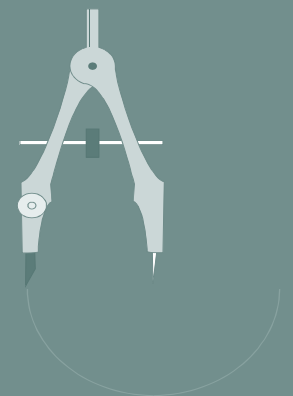
Indicators of Housing Stress in Mesa

In the fall of 2002, the City of Mesa's Neighborhood Services Department partnered with Arizona State University's College of Architecture and Environmental Design (CAED) to create a holistic methodology to evaluate housing in Mesa. In doing so, the City initiated an effort to identify the level of housing stress in the community, as measured through quantifiable means. Using 2000 Census data as a data source, nine indicators were applied to the City of Mesa's land form to yield an overall housing stress level throughout the City:

1. Poverty - Households living at or below the poverty level as a percentage of all households.
2. Plumbing Facilities - Housing units that lack complete plumbing facilities as a percentage of all housing units.



3. Kitchen Facilities - Housing units that lack complete kitchen facilities as a percentage of all housing units.
4. Tenure - Number of housing units occupied by renters, as opposed to owners, as a percentage of all housing units.
5. Occupancy - Number of housing units vacant as a percentage of all housing units.
6. Construction Year - Median year housing unit was constructed.
7. Crowding - Number of persons per room in a housing unit.
8. Income to Rent Ratio - Percentage of household income spent on rent.



9. Code Violations - Citations given to home-owners for various code violations.

An overall housing stress score, which incorporated the averages for all nine of the indicators listed above, was then computed to yield a comprehensive summary of “housing stress” in Mesa. Generally, the farther east one lives in Mesa, the less the level of overall stress. “Pockets” of higher stress exist in a scattered pattern in west Mesa, which is consistent with historical development of rural subdivisions in the County that were later annexed into the City.

In general, the study yielded results that might be expected for a suburb of Mesa’s immense scale and history of rapid growth. The highest stress areas in Mesa generally encompass the City’s original square mile and its adjacent neighborhoods, and continue east in a general pattern that follows the Main Street corridor alignment. Many of these areas include older, deteriorating housing units including many of Mesa’s earliest mobile homes.

By contrast, the lowest stress areas reflect the newest and highest quality construction in the Las Sendas and Red Mountain areas in northeast Mesa. Between these two extremes lie many “low” and “medium” stress neighborhoods that were constructed during Mesa’s rapid growth phase of the 1970s, 80s, and 90s.



MESA, A CITY IN SEARCH OF BALANCE

Introduction

As the population of Mesa grows by an estimated 62% during the next 25 years, it is critical to ensure that a safe, appropriate and affordable housing stock will be provided for this new population, as well as for Mesa's current residents.

As the City matures, it will face new challenges in maintaining its quality of life. The City must strive to maintain a healthy mix of new housing opportunities, while preserving the quality and affordability of the existing housing stock.

Principles of Housing Balance

Through the development of the General Plan's Housing Element, the City of Mesa evaluated all relevant social and land use attributes that pertain to housing. From this review three fundamental housing principles were identified as integral to the creation of a healthy, vital residential environment that complements the commercial, industrial and recreational areas of the City:

- **Quality**—Ensure that housing is safe, decent and sanitary; encourage residential design that is community-friendly and compatible with the neighborhood character.
- **Fairness**—Promote the preservation and development of a wide range of housing choices that pro-

vide housing options for persons of all income levels throughout the City of Mesa.

- **Location**—Encourage the development of an appropriate mix of residential land uses throughout the City; protect and preserve existing, stable neighborhoods and new residential developments from incompatible adjacent land uses.

There are several major housing and neighborhood issues that Mesa must address as it continues to mature and grow. These issues are critical to the community's quality of life as well as its economic development efforts. The following is a discussion of these issues.

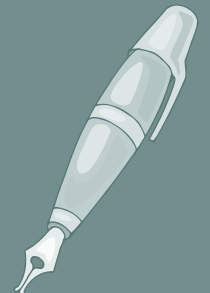
Executive and Professional Housing

As part of the City's economic development strategy, providing additional executive and professional housing in all areas of the City—new and old—could have significant implications for Mesa's economic well-being and the strength of its housing sub-markets.

Manufactured Homes

Mesa's mobile home, manufactured housing and recreational vehicle parks account for a large percentage of the City's housing stock. According to a recent study by the City of Mesa Neighborhood Services Department, Mesa has 63 manufactured home parks and approximately 13,785 manufactured homes. Of these parks, 45 are restricted to persons of 55 years of age or older. The average age of a manufactured home in Mesa is 24 years.

The availability of these affordable properties is an asset to lower-income households. However, older mobile





homes may deteriorate faster than conventionally built housing. Furthermore, some areas within Mesa's planning area lack the public streets, street lighting and sidewalks that exist in conventional neighborhoods. These factors suggest that the City should carefully examine manufactured housing proposals, as well as the possibilities of redeveloping deteriorated parks.

Multiple Residence Housing

The City recognizes the need to provide adequate housing choices for all segments of its population. Multiple residence housing plays a critical role in accommodating persons of all economic classes. Such housing plays an important role in attracting new industry and in retaining existing businesses whose employees live and shop in Mesa.

The City requires new multiple residence communities to meet and maintain standards of quality and environmen-

tal design which will preserve the City's valuable rental housing stock for the future needs of Mesa's citizens.

Maintenance of Existing Neighborhoods

Maintaining existing housing and neighborhoods in the best possible condition is a primary issue in Mesa. In March 2000, Mesa voters approved the "Property Maintenance and Neighborhood Preservation Ordinance" that requires property owners to keep buildings and landscaping clean and repaired. The new ordinance applies to property that can be seen from the public right-of-way and includes yards, fences, walls, paint, roofing, sheds, windows and doors. The purpose of the ordinance is to keep Mesa's neighborhoods safe and attractive, and to maintain property values throughout the older parts of the city.

The older neighborhoods in the original downtown area have already been designated for housing rehabilitation, as well as for upgrading of streets, lighting, sidewalks and parks. However, some areas of the City are aging and showing signs of deterioration, such as homes needing painting and new roofs, landscaping in disrepair and inoperable cars parked outside.

If the spiraling effect of this deterioration is not aggressively treated, whole neighborhoods will begin to experience declining values, high turnover of residents, conversion of owner-occupied housing to rental housing and an overall deterioration in security and the quality of life.

These neighborhoods are the backbone of Mesa and home to a large portion of the City's population. Preserv-

ing this affordable housing stock is an important objective. Neighborhood revitalization based upon housing rehabilitation and infill of vacant land may increase the range of Mesa's housing options, while providing new opportunities for sustaining existing neighborhoods as well.

Workforce Housing

Workforce housing is oriented toward the middle-income workforce that is employed in all sectors, but who do not command the income of executive and professional employees. It is important to recognize the need for this more moderately priced housing to meet the needs of this workforce.

Mesa has traditionally provided a significant amount of housing for moderate-income households. It is important to continue to provide these opportunities in safe neighborhoods with excellent services and infrastructure. This type of housing often caters to families with budgetary constraints who do not qualify for public assistance.

Affordable Housing

Inherent in the concept of preserving existing neighborhoods is the preservation of an adequate supply of affordable housing—that is, housing that can be purchased or rented and maintained to a reasonable standard by persons of low or moderate income. These are people who make 80% or less of the area median income, and pay no more than 30% of their gross income for housing.

It is possible to provide such housing for more residents of Mesa through the continued rehabilitation of older

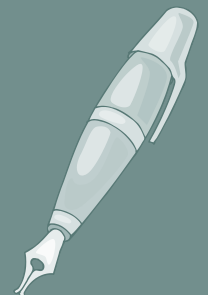
single-residence properties, renovation of existing multiple residence housing and/or incentives for developers to build on infill residential properties. According to the gap analysis, Mesa is currently lacking 7,400 units of affordable housing for those families who earn 30% or less of the area median income.

Transitional and Supportive Housing

Housing is needed in Mesa for persons who are temporarily homeless and are striving to get off the streets and back to self-sufficiency. The community is exploring ways to make temporary shelter available for those who are willing to improve their livelihood, but need respite from the streets while they gain/regain the ability to live as independently as possible. The overall need for geographic dispersion and balance should also be recognized in the location of group homes, halfway houses and similar facilities. The City should consider the development of policies to address these issues and the potential impacts of these facilities on neighborhoods within this larger context of geographic dispersion and balance.

Master Planned Housing and Mixed Use Developments

Master planned subdivisions play a major role in economic development, as they can be a primary means of providing housing that suits the needs of executive and higher-income employees of both existing and newly locating employers. Master planned communities tend to have higher value, on average, because of the amenities offered. The restrictions placed on property use and maintenance keeps these communities in excellent condition.



While Mesa has improved its stock of high-end and workforce homes contained in master-planned communities, this achievement pales in comparison to surrounding southeast Valley communities. As Mesa continues to grow, opportunities to develop large, master planned areas are being lost, in part, due to a lack of effective financial, planning and regulatory tools.

The Economic Development-Housing Link

The development and implementation of Mesa's General Plan and Economic Development Strategy are premised on the principle of balancing the number of jobs and housing units currently available in Mesa with the employment needs of those projected to live in Mesa over the course of the next 20-25 years. Furthermore, this strategy has been developed in full consideration of plans to develop the entire Phoenix metropolitan region, considering the various aspects of job attraction strategies, smart growth and economic development.

The four main objectives for Mesa, as articulated by the Economic Development Strategy, include the following:

1. Improving employment opportunities and the overall quality of life for Mesa's current residents.
2. Creating employment opportunities and an enhanced quality of life for Mesa's future residents.
3. Providing economic opportunities for those who commute to work from outside of Mesa.

4. Utilizing the principles of smart growth and paired development to revitalize and redevelop the City of Mesa and to accommodate planned development and a growing population.

Mesa's Economic Development Strategy assumes the placement of .96 incremental jobs for every resident (equivalent to 3.46 jobs for every new housing unit) in order to achieve a ratio of .56 jobs per resident (a goal identified in the General Plan). This calculation partly assumes that many new jobs will be filled by both commuters residing outside of Mesa, as well as by new residents who choose to live and work in the city.

The strategy further states that it is imperative that the city also adopt a paired development policy, which can correct the imbalance that has occurred during the past 30 years, when Mesa became primarily a residential community. The concept of paired development is one



Mesa population, housing and employment growth

	<u>2000</u>	<u>Buildout</u>
Population (MPA)	425,238	630,299
Housing Units	175,701	234,326
Households	146,643	195,572
Employment (MPA)	155,167	358,365
Jobs/Capita	0.36	0.56
Jobs/Household	1.06	1.83

Net Changes at Buildout in Mesa MPA (2000-Buildout)

	<u>Numbers</u>	<u>% Increase</u>
Population	205,061	48%
Households	48,929	33%
Employment	203,198	131%

2000 employment estimates are based on secondary data provided by CLARITAS.
Source: U.S. Census, Mesa General Plan, CLARITAS, Economics Research Associates,
MAG Population Projections

that attempts to join these two separate types of development. Specifically, the development of future office and job space would be partly contingent upon the development of new housing units; e.g., creation of 1.5-2.5 new jobs for every 200 new housing units constructed in Mesa.

Many communities in the United States have attempted to address imbalances between the number of available jobs and the number of housing units available by utilizing a variety of strategies. The majority of these communities are located in the Western

United States, primarily in California, where the concept for such strategies was first developed. These strategies were originally developed to address a situation where a community has far more available jobs than available housing units.

This is not the case in Mesa, which is home to more than 155,000 jobs and 146,643 occupied housing units (of 175,701 total units). This translates into a jobs-to-housing ratio of 1.06 jobs to each occupied unit of housing in Mesa (approximately .36 jobs per capita) as shown in the table *Mesa population, housing and employment growth*.

While there is almost an equal match of available jobs to available housing, there is a clear shortage of job opportunities for Mesa residents within the city itself. Mesa's current Economic Development Strategy will achieve a MPA jobs-to-population ratio of 0.58:1 by buildout. If this projection is reached, Mesa will have successfully moved much closer to achieving real balance in its jobs-to-population ratio.



Achieving the long-range Jobs Per Capita objectives in the General Plan is a major economic development goal. Mesa must therefore both catch up and move forward simultaneously. Fundamental measurable progress toward the objective will need to emerge in the next 5 years. In a very real sense, Mesa's elected leadership and city management will be continuously focusing upon incremental achievement of this goal.

Existing and Proposed Strategies

There are a number of ways in which communities and regions have attempted to correct imbalances between the ratio of jobs to housing. Read in the context of Mesa's current situation, the emphasis of these strategies can be applied to addressing the city's current job shortage. The following seven initiatives are listed in Section VI of Mesa's Economic Development Strategy:

1. Expeditious Development Permit Processing.
2. Property Clearance Incentives.
3. Public Infrastructure Assessment District Funding.
4. Selective Bonus Densities to Induce Development.
5. Economic Development Ventures Fund.
6. Property Reuse Development "Gap" Funding.
7. Planning and Economic Development District. Management for the Southeast Mesa Urban Economic Hub (2002-2010+).

These strategies are all compatible with, and have been integrated into, those recommendations and tools found in the **Implementation Strategy** section, which have

been proposed to implement this Housing Master Plan.

The "Paired Development" Concept

It is appropriate to focus the linkage of paired development in and adjacent to planning sub-areas and employment centers in Mesa. Opportunities for adjusting the balance of land uses have recently occurred with the initial reuses of Williams Gateway Airport as an all-new aerospace/aviation and educational cluster location. Similarly, industrial and office development in the Falcon Field environs offers the same near-term potential.

The General Plan designates thousands of acres for mixed-use development, which can include residential properties in careful adjacency with office, retail, institutions and transportation services.

To underpin this designation, a paired development policy has been called for as an implementation technique to be adopted by resolution of the City Council.

This policy would be put into process and measured by the City Planning Department, the Development Services Department and the Economic Development Office. There will be further need for clarity regarding how this process must be maintained and consistently pursued, especially in terms of its potential implications for housing development in Mesa.

A Vision for Housing in Mesa

Introduction

This section provides information pertaining to the visioning phase of the planning process. Through this visioning process the CHTF has evaluated many housing types and established relationships between these uses and the economic system, social structure and the built environment that affect them. As described above and in the Housing Element of Mesa's General Plan, the CHTF focused on the following nine housing types and conditions:

- 1) Executive and Professional Housing
- 2) Manufactured Homes
- 3) Multiple Residence Housing
- 4) Maintenance of Existing Neighborhoods
- 5) Workforce Housing
- 6) Affordable Housing
- 7) Transitional and Supportive Housing
- 8) Master Planned Housing
- 9) Mixed Use Developments

The Visioning Process

From February through April of 2003, the members of the Community Housing Task Force were asked to contribute to a visioning process for housing in Mesa. Through these meetings various representatives of com-



munity and housing interests from throughout the greater Phoenix area made presentations to the CHTF on issues ranging from manufactured housing viability to the future of Mesa's elderly population. It was the intent of these sessions to inform the CHTF members on the various issues and to challenge them to apply this information to Mesa. To structure this process in a logical manner, the CHTF focused on each of the visioning themes, which have been summarized as follows:

Economic Development

It was during this first visioning session that the CHTF was exposed to the suggestion that Mesa's jobs, housing and population do not exist in a healthy state of equilibrium. Both Mesa's General Plan and Economic Development Strategy support City policies that encourage a more even balance between jobs and housing. It was noted that the imbalance, reflected in a jobs-to-popula-





tion ratio that contrasts poorly with other local communities, might be improved through complementary housing policies and the provision of executive and professional housing. As a background for Mesa's housing policy review, the CHTF was presented the following four key economic indicators, which are supported by Mesa's Economic Development Strategy:

- A. Improving employment opportunities and the overall quality of life for Mesa's current residents.
- B. Creating employment opportunities and an enhanced quality of life for Mesa's future residents.
- C. Providing economic opportunities for those who commute to work from outside of Mesa.
- D. Utilizing the principles of smart growth and paired development to revitalize and redevelop the City of Mesa and to accommodate planned development and a growing population.

The CHTF was then asked to evaluate a set of questions that challenged the group to assess Mesa's competitive advantages and disadvantages regarding the relationship between housing and economic development. Ultimately, the evaluation of Mesa's economic strengths, weaknesses, opportunities and threats yielded insight into the challenges that the local economy will place on the City's housing stock.

Community Housing Task Force members recognized that many aspects of the existing community were limiting its economic potential, including:

- A workforce population with an overall educational attainment that is noncompetitive regionally;
- An aging and deteriorating housing stock;
- A rapidly aging population;
- A lack of identity/sense of place for Mesa;
- An absence of suitable and well-placed entertainment and recreational venues;
- Poor transportation amenities;
- A lack of clear and committed vision by the City; and
- A relative shortage of executive and professional housing.

The CHTF also noted several opportunities and strengths that Mesa possesses, or has the capacity to create:

- Excellent public schools;
- Reasonable cost of living and affordability;

- Ability to attract executive and professional employees;
- Location relative to large regional transportation facilities;
- A diverse population; and,
- A stable infrastructure.

Social Development

This visioning session focused on the relationships between housing and human service needs in Mesa. Presenters included representatives of low-income/entry-level housing providers, homeless and at-risk persons, Mesa's Latino population, elderly citizens and upper-income home buyers.

Panelists and CHTF members focused on the various social needs in Mesa, and how those challenges are magnified by use, location and design issues associated with the existing housing stock.

Community Housing Task Force members were asked to identify social issues and how these issues may evolve in the years to come. Most importantly, Task Force members discussed methods to enhance the positive social trends in Mesa and addressed techniques to diminish the negative ones.

Some of the more prominent challenges discussed among the CHTF included:

- A. Mesa's "East Side-West Side" disparity, where the new developments in some of Mesa's eastern sec-

tions exist in contrast to the older, more socially challenged areas scattered throughout west Mesa.

- B. An aging, poorly maintained housing stock, which appears to be related to various other social issues including higher crime, low educational attainment and inadequate economic growth opportunities.
- C. A growing Latino population, many of whom live in a concentrated area along west Mesa's Broadway corridor.
- D. Similar social issues associated with an aging population, many of whom are housed in mobile and manufactured housing units and who may experience distress due to increasing costs and limited housing options.
- E. A local economy that does not provide a high number of middle to upper-income jobs to support higher-end housing.
- F. Entertainment, recreational and civic amenities that are not geographically dispersed.

Physical Development

During the physical development session, the CHTF was exposed to various land use relationships and housing types. Community Housing Task Force members heard from a panel of speakers who possess expertise in historic housing and rehabilitation, multiple family dwellings, manufactured and mobile housing and master planned communities. Specific attention was drawn to Mesa's historical growth patterns and to the influences



that continue to shape the community's growth today.

Through a review of the panelists' comments and subsequent debate among the CHTF members, the staff has identified three critical themes that pertain to all housing types that predominate Mesa: location, design and use.

Location

Location refers to the geographical evolution of a particular housing type within the city and region. It was noted, for example, that much of the city's manufactured and mobile home supply is concentrated along the Main Street (formerly the Apache Trail) corridor. This may be attributed to the fact that at one time, Main Street was the primary entry way into the region, consequently facilitating the development of mobile home parks, motels, apartments and other similar uses.

Similarly, much of Mesa's newer upper-end housing exists on the eastern fringe of the city where open land became accessible with the development of freeways and expanded infrastructure capacity. Many cities today, including Mesa, struggle with complicated location issues including the dispersion of various income earners, amenities, and civic infrastructure throughout the community in a way that supports community health and vitality.



Design

Design is an aspect of urban development that has become even more contentious in recent years. Within the past two decades, newer design types for housing have challenged the archetypal single-family housing model. Mesa has not been immune to shifts in the design of popular housing types. The CHTF observed, for example, that more efficient construction methods and Mesa's position as the East Valley economic engine contributed to the enormous construction boom in the 1970s and 1980s.

This decade witnessed the construction of thousands of the common single-story, modest-sized homes throughout the community. Today, while construction trends have not changed considerably since the 1980s, Mesa is challenged by limited available land and competition from neighboring communities with growing economies. These circumstances will certainly require a change in the way Mesa develops its housing.

Use of housing

Use of housing involves aspects of both location and design, but also attends to the very complicated issues associated with community revitalization, infrastructure use and incompatible uses interacting in a

healthier manner. In Mesa, where many of the large tracts of land remaining in the community are likely to be consumed by development, housing and revitalization interests must begin to look inward to the mature areas of the community.

By committing to the stabilization of its older neighborhoods, the City is committing to a necessary, although contentious, development pattern that will focus on revitalization, redevelopment and infill. Such development often involves very complicated land use scenarios that challenge existing parcels, infrastructure and surrounding land uses. Mesa has begun the process of evaluating the suitability of existing development processes for this type of growth, but many obstacles remain.

Developing a Vision

Through an evaluation of the physical and emotional meaning behind housing and land use in Mesa, the Community Housing Task Force agreed that achieving the goal of balancing infill, revitalization and quality housing development with Mesa's overall economic development goals is vital to the establishment of a healthy community.

Specifically, opportunities must exist for the mature neighborhoods in west Mesa—which have become increasingly challenged by an aging or poorly maintained housing stock, inadequate commercial opportunities, gentrification and many other attendant social problems—to revitalize and attract their share of market and high-end housing. The vacant lands in east Mesa must also present opportunities to attract a new workforce

population and executive housing options. This will facilitate commercial and industrial growth, improving the jobs-per-capita ratio and making housing more accessible to the new workforce and their employers who will want and need to locate closer to the commercial and industrial growth.

Applying this philosophy to the Housing Master Plan, the Community Housing Task Force focused on several desired attributes of future housing development in Mesa. These qualities, listed below, assisted the group in framing a Vision Statement for the Housing Master Plan, which follows.

Foundation for Vision Statements

- Establish political support for improved housing policies.
- Identify an entity to promote and manage housing initiatives in Mesa.
- Encourage the development of a balanced housing stock, including new executive and professional housing options.
- Support Mesa's Economic Development Strategy.
- Endorse rehabilitation and revitalization initiatives.
- Encourage flexibility and creativity in housing development.
- Promote predictable and business-friendly processes.



- Provide mixed-use and mixed-income development options.
- Promote regional housing continuity.
- Encourage geographically dispersed incomes and amenities.
- Apply sound design principles for new construction and revitalization.
- Engender a strong "sense of place" throughout the community.
- Focus on the established city growth areas and mature neighborhoods.
- Celebrate Mesa's heritage by preserving aging structures and stabilizing vital neighborhoods.
- Develop and maintain relationships with key financial partners and other critical community resources.

A Vision for Housing in Mesa Housing Master Plan Vision Statement

Mesa is recognized for developing a city with a cultural identity that complements a solid core of schools, parks and civic infrastructure. Our vision is to promote a city with healthy and revitalized neighborhoods that residents are proud to call home. These neighborhoods are integrated into the community and are linked by individuals and families working together to achieve:

Balance. We envision a city that is recognized for a balanced housing stock that supports an increasingly diverse population and economy through the develop-

ment of a diverse mix of residential land uses and housing options throughout the city.

Revitalization. We envision future growth encouraging and facilitating infill development, neighborhood revitalization and quality housing to promote the overall economic development goals of Mesa and establish and maintain a healthy and growing community.

Compatibility. We envision a community that supports and encourages residential design that is community-friendly and compatible with neighborhood character that provides adequate buffering between existing, stable neighborhoods, new residential developments and incompatible adjacent land uses.

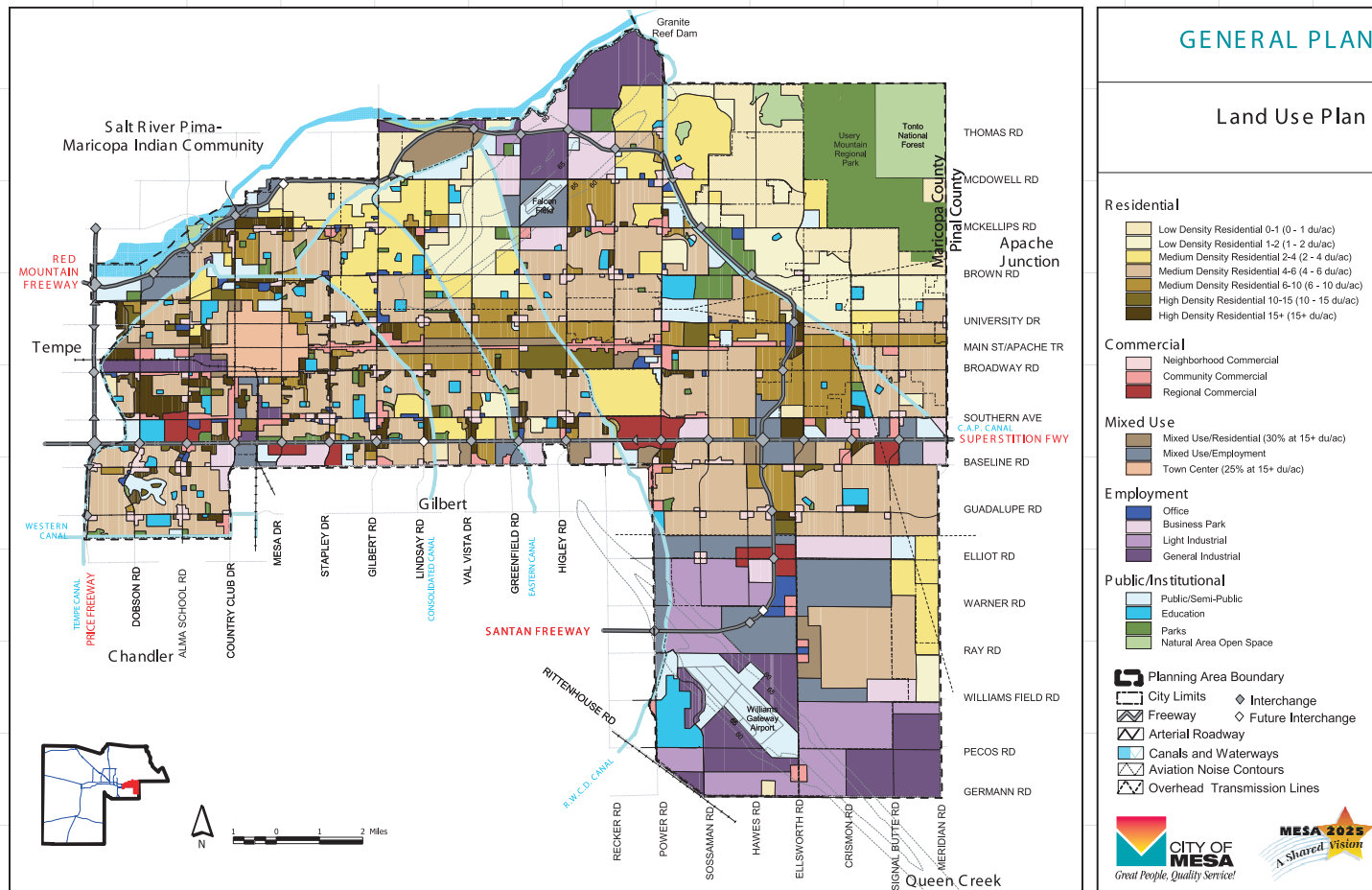
Economic Development. We envision inclusive residential and mixed-use communities that attract and retain a broad spectrum of the workforce, which will facilitate commercial and industrial growth, increase the jobs-per-capita ratio and improve the quality of life for everyone.

Character. We envision a community that not only permits, but also encourages, unique design and land use alternatives that both celebrate Mesa's heritage and cultures and promote economic development throughout the city.

Innovation. We envision the development of both new and renewed neighborhoods that reflect Mesa's desire to apply unique and flexible design processes to create livable urban areas that include a wide variety of housing choices.

Target Housing Goals

With this vision in place, the Task Force adopted the following goals to reach the General Plan's buildout projections in a balanced way, as depicted in the land use map that follows.



Target Housing Goals for Mesa

By the Year 2025, Mesa will:

- Increase housing production to meet the projected population growth for all income groups.
- Reduce the housing gaps in the upper and lower income levels by 50 percent.
- Define, determine and reduce by at least 50 percent the number of housing units in substandard or deteriorated condition.

Increase housing production to meet the projected population growth for all income groups:

According to MAG estimates, Mesa's planning area will have a population of 630,300 in 2025. It is foreseeable that these residents will be comprised of a more diverse population with varying interests and needs for housing.

The first goal would encourage housing production in relation to the growth in population. For example, if as predicted there would be a significant increase in the percentages of upper income level households, then the City of Mesa could encourage the development of housing that accommodates that income group. Or, as the population ages, there may be greater demands for housing that serves older residents at different life stages.

Reduce the housing gaps in the upper and lower income levels by 50 percent:

The Arizona Affordable Housing Profile indicated that for the City of Mesa, there were not enough units available for those at the lowest and those in the highest house-

hold income levels. For those earning less than \$10,000 annually (8,755 households) there was an estimated shortage of 7,401 affordable units. For households earning more than \$75,000 (29,658 households) there was an estimated shortage of 21,225 units within their price range. If the housing gaps were reduced by 50%, then an additional 3,700 units would be available to the lowest income populations and 10,612 new units available to those in the highest ranges.

Define, determine and reduce by at least 50 percent the number of housing units in substandard or deteriorated condition:

- Under this goal, the first step would be to develop a uniform definition of substandard housing.

Mesa has not formally adopted a definition for "substandard" housing nor has an inventory of such housing stock been identified. "Housing units" refers to any type of dwelling unit, including but not limited to site built single residences, multi-family residences (duplexes, triplexes, four-plexes, apartments, town homes, condominiums), mobile homes and/or manufactured homes.

- After a uniform definition of substandard housing is approved by the City Council, the estimated number of units that meet the definition will be determined.

Information about housing conditions is available through various resources including census data, assessor records, real estate sales information, windshield surveys or records of code violations.

- Once an inventory is developed, the final step would be to reduce the number of substandard units.

Reducing the number of substandard units may be accomplished through private investment and city programs, policies and Council approved incentives that assist in the rehabilitation or replacement of units, if feasible.

The goals identified are measurable but broadly stated. The Community Housing Task Force developed these goals with the expectation that they would give direction and guidance to a future housing board and to all those developing and approving more detailed housing policies and programs.

The City of Mesa anticipates working in partnership with neighborhoods and the private sector to accomplish the goals of the Housing Master Plan. In summary, the ultimate goal of the Housing Master Plan is to make sure that we, as a community, plan for all anticipated housing needs in the future. It is our goal that every member of our community has a safe and secure place to live within the entire spectrum of affordability.



IMPLEMENTATION STRATEGY

Foundation for the Implementation Strategy

Based upon the conclusions derived through the visioning process, and using the goals, objectives and policies of the General Plan as a foundation for review, the Community Housing Task Force has identified specific implementation strategies which may be used to achieve the objectives of the Housing Master Plan.

Applying the principles of the General Plan to their review, the Community Housing Task Force has established a solid foundation for the Housing Master Plan Implementation Strategy. The core elements of this implementation strategy for housing in Mesa are discussed below. It should be noted that the following themes are intended to address important issues which involve the current housing conditions in Mesa, including strengths, weaknesses, opportunities and threats.

Political Initiative. Highlighting CHTF concern was the need to establish and maintain a level of political involvement that will allow the various elements of the Housing Master Plan Implementation Strategy to be properly supported by the City of Mesa. To fulfill this requirement, CHTF members agreed that the establishment of a City Council-appointed Housing Board is essential to achieving the goals and objectives of the Housing Master Plan.

Planning Issues. Many of Mesa's current housing weaknesses and threats identified by the CHTF focus on

circumstances that are described as 'planning issues'. These items are characterized by their clear influence on the city's urban fabric, and focus primarily on the use and location of housing. A frequent concern was that many Mesa neighborhoods do not engender a strong and coherent sense of place. It is also apparent that many of Mesa's neighborhoods, while stable, have not developed identifiable character—a quality that often reflects the need to improve housing conditions and the quality of life within these neighborhoods.

Similarly, CHTF members noted that Mesa's growth pattern has resulted in most of the more affluent areas developing miles away from the more mature areas of the city. While pure economic integration may not be possible given the entrenched land uses in Mesa's east and west sides, a more seamless relationship among all income earners could be a mechanism to encourage a sense of place and a higher quality of life for all Mesa residents.

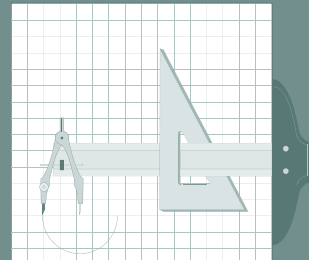
Finally, CHTF members noted that continuing growth trends for Mesa reflect those of the past 40 years; namely, that the city continues to focus its financial and infrastructure resources upon the undeveloped areas of the city. A shifting of this trend to focus on Mesa's existing growth areas, and a renewed emphasis on identifying solutions to infill, rehabilitation and redevelopment problems, is clearly supported by the CHTF members. An increase in executive and professional housing in all parts of Mesa is desired.



Regulatory Issues. Supplementing the Planning themes are those that have a direct impact on Mesa's growth regulations and policies. Community Housing Task Force members clearly encourage, for example, City processes that endorse and encourage infill, rehabilitation, and redevelopment. Such an effect may be facilitated through various development and building processes that permit creativity and flexibility for those who choose to invest in Mesa's established areas.

The City's current review process involving a new Building Rehabilitation Code, for instance, was warmly welcomed by the CHTF. Task Force members also supported the concept of providing incentives to developers. However, while the group supported providing incentives to encourage new building types and innovative planning, there was concern that these developments should reflect the positive quality and character of Mesa's existing housing construction. Therefore, the CHTF also recognized the value of supporting and applying sound design principles to housing revitalization and development, especially where conflicting land uses must be averted or, conversely, consistent housing types must be integrated.

Programs and Partnerships. For those housing conditions that do not involve land use or regulatory processes, the CHTF identified key "programmatic" themes that will assist the City of Mesa in its continued efforts to improve the quality of housing. For example, developing infill housing and facilitating rehabilitation are two of the biggest challenges facing local officials today. To encourage these functions, it may be necessary to establish an intricate network of relationships between builders, lenders, designers and planners in a manner that encourages inner-city reinvestment. In addition, CHTF members recognized that the Housing Master Plan would not exist independently of the other city policy guides. Therefore, integration with related documents, including any infill development policies and design review practices, would be accounted for through the Housing Master Plan.





Another theme that intrigued the Task Force was that of regional housing in the East Valley. Task Force members noted that recent data reflect a trend in Mesa where the “Affordability Gap” is smaller than in surrounding communities. While this gap is still significant to thousands of Mesa’s residents, the City has more housing that is affordable to more low and moderate-income households than its neighboring cities. Finally, while many of Mesa’s neighborhoods do not adequately reflect a unique character, CHTF mem-

bers also acknowledged the richness of Mesa’s heritage and the need to celebrate this history through design and neighborhood-level planning.

Strategy Implementation

Implementation of the Master Housing Plan and the accomplishment of its objectives depend heavily upon the support and cooperation of a number of community stakeholders. In addition, many of the policies contained in the City’s General Plan and in this Master Plan require additional resources and, in some cases, legislative or regulatory change.

As a bridge between the General Plan’s twenty-five year horizon and the more comprehensive action steps of such other documents as the City’s General Plan, Economic Development Strategy and the Action and Consolidated Plans, the Housing Master Plan offers a series of recommendations to initiate both short (1-5 year) and mid-range (1-10 year) goals and objectives.

While covering the remainder of the decade and beyond, steps can and should be taken to put most of these tools and their implementing strategies to good use much sooner. Often a new program requires additional funding that must be raised before the program can be implemented. Similarly, many plans depend upon regulatory and financial incentives to make them a reality.

To achieve its objectives, this Plan offers a series of recommendations, and a wide range of productive tools to implement them, that are divided into four policy groups: programs, regulations, financing and planning. Together, these tools will be able to effectively impact the supply, demand and potential investment in Mesa’s housing and neighborhoods for many years to come.

The following narrative and Implementation Strategy Matrix present these tools and recommendations by each of these four policy groups. It describes each tool in terms of its local application and the time-line and resources required to bring about its implementation.

Mesa's Housing Board

A broader directive of the Community Housing Board is encompassing the many action steps presented in the implementation strategy. Specifically, while the City of Mesa now possesses the initiative to activate various mechanisms to create and stabilize quality housing throughout the city, an advocacy group does not yet exist to ensure that these tools are provided a forum for consideration and to provide the necessary support for implementation.

To remedy this leadership void, the Community Housing Task Force strongly recommends the creation of a balanced, City Council-appointed advisory Housing Board, which will serve as the primary advocate for the implementation of the Housing Master Plan. This group will also provide technical expertise on housing and neighborhood issues to other advisory boards and City of Mesa staff, when appropriate. Supplementing this effort will be the continued participation of the Housing and Neighborhood Revitalization Roundtable, which has been meeting for nearly four years for the specific purpose of generating thoughtful ideas to improve the built environment as it relates to housing in Mesa.

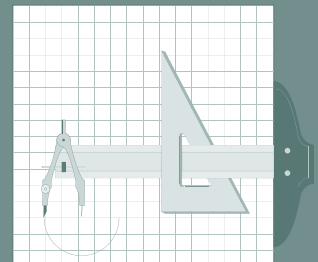
To be truly effective in its role as the principal advisor on housing issues in Mesa, it is critical that the newly-created

Housing Board be comprised of members who reflect the full gamut of interests in housing. At a minimum these participants should represent lenders, homebuilders, developers, non-profit entities, community housing groups, special needs housing providers, economic development professionals and Mesa residents and business owners.

Lead the Way to a Regional Housing Approach

The Community Housing Task Force recognizes the limitations of any housing plan that focuses only on the housing within its borders. Mesa does not exist as a sole community surrounded by undeveloped area, but rather as part of a growing metropolitan area comprised of dozens of cities, with each offering an inventory of existing housing as well as the potential for new housing. Mobility is a fact of modern life, and the resident of one community today may easily become a resident of a neighboring community tomorrow.

To meet the needs of all of the Valley's residents, and especially those of the East Valley, the Community Housing Task Force recommends that Mesa's elected officials lead the efforts to develop a Regional Housing Plan that addresses the Valley's housing gaps in a cohesive way, promotes a balanced approach to housing needs and asks each community to play a constructive role in providing housing for all residents. Since Mesa has moved forward to address its housing gaps with this plan, the Community Housing Task Force believes Mesa can serve as a model for effective leadership and action.



Strategy Implementation
Financial Tools

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1A	Support and promote federal government mortgage insurance programs, which make mortgages marketable to secondary market institutions.	1-5 years	<p>This approach should play an integral part in increasing the homeownership and sustainability of housing in Mesa.</p> <p>Explore strategies to acquire federal insured properties in receivership that are available to local governments and nonprofit organizations.</p>
1B	Develop working relationships with local financial institutions to promote housing opportunities through low-interest loans, down payment assistance, outreach to low- and moderate-income residents, home-ownership training and other activities.	1-5 years	<p>Many banks have established community partnerships. This may be a way to attract new lending institutions and support the expansion of existing partnerships. Another alternative is “linked deposits” for affordable housing, which can be utilized for a wide variety of programs. Many banks support housing counseling and training as part of their homeownership programs.</p> <p>Utilize banks as a source for acquiring properties in foreclosure and supporting nonprofit organizations.</p>
1C	Activate the Industrial Development Authority in Mesa.	1-5 years	In Mesa, the Industrial Development Authority can apply conduit bond financing, in which the authority acts as a pass-through between a tax-exempt or taxable borrower and bondholder(s), to increase the availability of affordable and workforce single-family housing, as well as providing affordable rental assistance.
1D	Explore the development of local housing vouchers to increase the ability of lower-income households to compete in the housing market.	1-5 years	Project-based vouchers would contribute to the viability of many rental rehab projects. Tenant-based assistance could provide additional mobility and affordability for low-income renters. Local funds are needed to supplement federal vouchers received by the city. Mesa may also benefit from the new Section 8 homeownership voucher program by partnering with local housing agencies.
1E	Create a housing trust fund that will commit public sources of revenue for the long-term support of affordable housing and that establishes a vehicle for contributions from corporations, financial institutions and foundations.	1-10 years	This tool hinges almost completely on the ability to identify a stable, dedicated revenue source and the capacity to create and support a managing entity (the trust).

Strategy Implementation
Financial Tools

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1F	Consider the establishment of developer impact and linkage fees, which will ensure that new development pays a fair share of the public costs that it generates.	1-10 years	A mandatory linkage program may not find sufficient support in Mesa; however, a voluntary program may be workable. Support for such a program in Mesa – either voluntary or mandatory – would be strongest as a long-range goal.
1G	Allow residential rental property owners to claim credit on their property taxes in exchange for developing or making units available to those households with incomes at or below the area median gross income.	1-10 years	Not applicable at this time. This tool would be appropriate if Mesa adopts a property tax.
2A	Develop stronger relationships with and leverage the resources of community development financial institutions (CDFIs) capable of providing banking services, loans and equity products to individuals, businesses and nonprofit organizations in low-wealth communities.	1-5 years	Currently, only one designated community development financial institution (CDFI) exists in Mesa. This organization, and others not yet active in Mesa, needs general operating support and loan capital to be competitive regionally and nationally.
2B	Utilize program resources, tax credits and other incentives to preserve and rehabilitate historic structures.	1-5 year	Mesa should develop and maintain a database of properties that may potentially benefit from this resource. The city should also identify methods of marketing and promoting this tool to the private sector. Expand the understanding and proper application of the historic preservation process to leverage resources for neighborhood improvement, while protecting against displacement.

Strategy Implementation
Financial Tools

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
2C	Promote resources which support alternatives to homeownership.	1-5 years	<p>Rental housing is an important vehicle to address the shelter needs of the lowest income groups. Creative subsidies from non-traditional sources such as corporate or foundation support may assist in expanding the reach and effectiveness of existing programs.</p> <p>Seek ways to expand the use of low-income housing tax credits and seek out equity partners to fund rental housing development.</p> <p>Encourage the Mesa IDA to participate in funding them, including a full range of rental housing for diverse groups, (e.g. seniors, special needs, luxury rentals, etc.).</p>
2D	Utilize the provisions of the Community Reinvestment Act to expand community access to lending, investment and services to all potential homeowners in each lending institution's geographic assessment area at least three to five miles from each branch.	1-10 years	It may be appropriate for the Office of Economic Development to give this item consideration when soliciting banks for potential partnerships and inducing them to locate in Mesa. Bank CRA ratings may be boosted by creating or offering lending opportunities that are facilitated by the city.
2E	When available, activate the tax increment financing (TIF) mechanism to support sub-area economic development.	1-10 years	Not applicable at this time. Action by the state legislature may be required for use of this tool. This tool has been used very successfully in redeveloping stressed and blighted neighborhoods and encouraging economic development. TIF can be used to cover the costs of public works improvements, including demolition, land assembly, public infrastructure and new buildings.
2F	Support the creation of a capital resource write-down process, which could be financed by a variety of methods, including grants to nonprofit housing corporations, land write-down by local communities and the provision of infrastructure improvements for specific developments through capital improvement programs.	1-10 years	Improved building lots, with all utilities installed and paid for, could be made available to households at no cost or on a sliding scale. The cost-benefit of this tool should be examined on a project-by-project basis, if a revenue source is found to implement this tool.

**Strategy Implementation
Program Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1A	Supplemental code enforcement efforts with financial and technical assistance to homeowners and tenants	1-5 years	Mesa will establish a loan/grant program to assist owner occupants with repairs. This program will focus on specific census tracts or neighborhoods where the concentration of deferred maintenance is highest. One of the more popular concepts, the idea of housing rehabilitation in Mesa, is prominent given the aging housing stock. Supporting and strengthening the existing housing rehabilitation program is critical, but to do so will require an additional source of funding. Partnering with nonprofits and developing other creative relationships may expedite housing rehab in an innovative way that is not entirely dependent on federal entitlements. This tool would interact very effectively with many of the other program tools.
1B	Create partnerships between private entities and City of Mesa development processes to develop creative methods to encourage the adaptive reuse of existing structures.	1-5 years	This technique involves the conversion of surplus and/or outmoded buildings to economically viable new uses such as housing. Mesa will facilitate adaptive reuse by providing assistance in obtaining funding, developing flexible ordinances, arranging for possible property transfers, encouraging reuse of publicly owned buildings as they become available and arranging architectural and historic preservation consultations. Along with housing rehabilitation, this tool is perhaps the most popular concept among housing and revitalization advocates in Mesa. Mesa, with an aging housing stock and limited land within the mature areas, could benefit tremendously from innovative partnerships that encourage the efficient use of structures that have fallen into disrepair, or which include obsolete uses. This is another tool that would be assisted through a strong advocacy organization, flexible design codes and a consistent funding source. Projects that involve historically or architecturally significant buildings may qualify for preservation tax credits.

**Strategy Implementation
Program Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1C	Create a community land trust that will provide secure, affordable access to land and housing for community members.	1-10 years	<p>Trusts meet the needs of those least served by the prevailing market by: (a) gaining control over local land use and reduce absentee ownership, (b) providing affordable housing for lower-income community residents, (c) promoting resident ownership and control of housing, (d) keeping housing affordable for future residents, (e) capturing the value of public investment for long-range community benefit and (f) building a strong base for community action.</p> <p>Community land trusts have been effective in many other communities around the country and locally in Tempe. However, market and land development forces in Mesa are currently not consistent with those where existing community land trusts have flourished. Therefore, a future exploration of this tool may be appropriate.</p>
1D	Create a mechanism for the purchase of land and its resale at reduced or no cost to nonprofit organizations and affordable housing developers to minimize the impact of land cost on housing development.	1-10 years	<p>This tool challenges Mesa to support the facilitation of real estate transactions that benefit a private entity. This tool may also require a dedicated revenue stream that does not exist. However, the concept of the city (or separate semi-private entity) working to create unique housing options via land acquisition and resale is an attractive one.</p>
1E	Provide avenues for the development of housing on publicly owned land.	1-10 years	<p>Mesa will seek to encourage the donation of land for workforce housing. Land acquired through tax forfeiture also may be appropriate for innovative housing projects. Mesa may partner with nonprofit organizations to engage in a program to acquire land and hold it until the community is ready to develop housing (land-banking) or create a land redevelopment agency of its own. The city (or ad hoc housing agency) may be an effective arbiter for land transactions, which could be a positive step toward the creation of new and innovative housing development. However, current budgetary constraints in the city and the prevailing attitude regarding city involvement with real estate deals that benefit the private sector, are barriers. A dedicated revenue stream may be required to make this tool effective. Funding to acquire land may be available from federal and state programs.</p>

**Strategy Implementation
Program Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1F	Pursue opportunities to employ manufactured housing as an alternative to mobile homes and dilapidated housing on a selective basis.	1-10 years	This tool has been gaining more prominence on the national scene in the past decade. While construction techniques, building codes and property value questions still linger, the prospect of increased homeownership via this new home type could be applicable, especially in Mesa's many aging mobile home parks and subdivisions. Mesa will also encourage the rehabilitation of existing mobile homes and the revitalization of their communities.
2A	Mesa will identify and take advantage of the many resources available through the Department of Housing and Urban Development (HUD) and other federal agencies to create unique and viable housing opportunities.	1-5 years	Encourage the city to actively and aggressively seek to leverage existing federal dollars in the short range. In the long range, investigate the possibility of establishing a city of Mesa HOME entity, which is separate from the existing Maricopa County HOME Consortium. Continue to strengthen programs and develop partnerships.
2B	Aggressively promote and market home maintenance and rehabilitation programs at the neighborhood level.	1-5 years	The visibility of these projects can help create peer pressure to motivate others to fix up their homes. One strategy is to organize painting/fix-up events in partnership with local professional and civic groups to encourage volunteers to help with maintenance. This technique may be assisted through a centralized housing advocacy group/agency. A sidebar application that should be reinstated is the Clean Sweep program, which was recently eliminated in Mesa.
2C	Mesa will develop and promote educational programs to train homeowners and renters to help ensure that their homes are rehabilitated and maintained in good condition.	1-5 years	These educational programs will help property owners better understand the responsibilities of homeownership and motivate them to maintain and enhance their property value and condition. Making these opportunities visible and available to all of Mesa's communities may be facilitated through housing advocacy organizations with stable funding and programs tailored to special needs and ethnic communities.

**Strategy Implementation
Program Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
2D	Continue providing and seek additional operating support for the nonprofit community.	1-5 years	<p>The concept of strengthening existing partnerships with non-profit groups and developing new relationships is a popular theme. However, such support would probably require the assistance of a housing advocacy organization.</p> <p>Explore linking for-profit developers with nonprofits so that community-based organizations can learn to apply better production and financing techniques to their affordable housing mission. Create opportunities for established for-profits and nonprofits to mentor emerging groups. In addition, these types of relationships (as with housing rehabilitation and entitlement spending) are strengthened with a dedicated revenue source.</p>
2E	Access and partner with organizations that provide donated building materials and labor to create unique housing opportunities throughout Mesa.	1-5 years	<p>The Valley organization that is most active in the application of donated building materials and labor is Habitat for Humanity, which has not historically been very active in Mesa. However, the prospect of expanding this participation is strongly supported. A good example of a Habitat project that may serve as a template for Mesa is the Valley of the Sun Habitat project in South Phoenix.</p>

**Strategy Implementation
Planning Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1A	Mesa will create a collaborative system that encourages and expedites small, neighborhood-level land use plans that focus resident interests and promote the stabilization of older areas by: (1) providing the technical assistance and resources to develop and adopt neighborhood plans that address such issues as land use, zoning, economic development, housing, transportation, safety, beautification and service delivery, and (2) ensuring that such plans provide an appropriate framework for future decision-making.	1-5 years	Neighborhood planning provides a process for citizens to improve their neighborhoods and plan for a better future. A neighborhood plan is a set of strategies developed to preserve or improve specific areas. These strategies may address issues such as land use, zoning, economic development, housing, transportation, safety, beautification and service delivery. The scope of the plans will vary depending upon the variety and intensity of the issues to be addressed. Most importantly, neighborhood planning provides a way for people to work together to improve their communities. While the City of Mesa will guide this process and provide technical assistance for the plan, the active participation of neighborhood residents and organizations is essential for the plan to be a success.
1B	Enact an infill development policy that supports the identification of infill incentive districts.	1-10 years	As supported through the adopted general plan, Mesa will enact an infill development policy that supports the identification of infill incentive districts. In addition to identifying a financing structure which incentivizes appropriate infill development, Mesa may encourage infill development through a variety of means: adopting flexible regulations that allow development of irregular or substandard infill lots; allowing mixed uses for infill developments, which may enhance the economic feasibility of projects; assisting in the consolidation of infill lots into larger, more easily developed sites; and acquiring abandoned property and demolishing structures beyond rehabilitation.

**Strategy Implementation
Planning Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
2A	Mesa will craft amendments to the existing zoning ordinance that not only permit but encourage innovative housing applications in both the mature, older neighborhoods where infill and revitalization issues exist, but also in the newer Greenfield opportunities in east Mesa. Specific tools that may be implemented through this tool include the following:	1-5 years	Achieving these mechanisms may be accomplished through a complete zoning ordinance rewrite, or through a series of amendments.
	1: Flexibility through hard zoning districts		Currently, development projects which propose a dramatic mix of land uses must, at best, undergo a series of use permit approvals and, at worst, are not allowed under the current zoning ordinance. The creation of new hard zone districts, which permit such innovative land uses, would expedite and encourage unique projects that could incorporate housing along with a variety of other land uses at various densities.
	2: Zero lot line		Conventional zoning requires that homes be set back from every lot line. However, for small lots the yards created on each side of the house are very small and impractical for any use. Zero lot line planning places the house on one of the side lot lines and/or on the rear or front lot line. By placing a house on these lot lines, the amount of useable space on the other sides is doubled, thereby permitting a higher density of housing in an area.
	3: Clustered development		This tool allows housing units to be grouped within a residential development on lots smaller than those normally allowed. Clustering helps reduce housing costs by decreasing lot sizes and development costs. This tool may also create common open space and protect environmentally sensitive land. Zoning ordinances can specify zones in which clustered developments are permitted and/or allowed by special permit or as use "by right". Subdivision regulations can outline development standards for clustering. Clustered development may also occur as part of a planned area development.

**Strategy Implementation
Planning Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
	4: Density bonuses		A density bonus allows a developer to build more units in a project than would otherwise be permitted by the general plan or zoning ordinance, subject to planning and zoning board review. Bonuses may be offered in exchange for preservation of open space, the creation of affordable housing units or other amenities valued by the community. Density bonuses increase the value of the overall project and may, therefore, make certain projects economically feasible.
	5: Accessory dwelling units		This concept builds upon the existing housing inventory by permitting an accessory unit to be added to a single-family dwelling under normal zoning standards. This could either be a unit that is built within the original dwelling unit or attached or detached units on the same lot. This type of housing is particularly useful for older residents of the community and provides the added potential of providing homeowners with a new source of income.
	6: Variable lot size		One technique for ensuring a range of housing is to provide a range of densities and lot sizes. Traditional zoning ordinances may only allow a limited variety of lot sizes throughout a community for single-family residential development. Smaller lot sizes, which seek to increase overall density within the community, can also be linked to other community planning objectives. To address these concerns, attention must be given to such site design elements as: the layout of streets, lots, mixing of lot and house sizes, variation in building setbacks and elevations, variation in exterior designs and quality landscaping to provide privacy. The development must also be attractive if it is to be accepted by the larger community.

**Strategy Implementation
Regulatory Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
1A	In collaboration with the infill development policy, Mesa will provide various incentive mechanisms for housing, including development fee waivers.	1-5 years	The legal standard in Arizona is that development fees cannot be waived, but must be paid by some other means. If Mesa uses this incentive to promote infill housing, then it must essentially deposit funds from other city accounts into the appropriate development fee account. A change in Arizona statutes could alleviate this burden.
1B	Mesa will evaluate the potential for expedited review of selected development applications.	1-5 years	One of the major cost components of real estate development is the amount of time it takes to process projects through a community. An incentive for developers who propose innovative housing projects could be a fast tracking of residential projects. A fast track program would place priority projects first in line for expedited staff reviews.
1C	Promote and market Mesa's building rehabilitation code, which will encourage renovation of older structures into new, creative uses as part of a uniform dwelling code that must be followed for the construction and inspection of all one and two-family dwellings in the state.	1-5 years	Mesa's building rehabilitation code can encourage renovation of older structures as part of a uniform dwelling code that must be followed for the construction and inspection of all one and two-family dwellings in the state.
1D	Mesa will create a housing preservation code that will complement the recently adopted property maintenance code.	1-5 years	Under the city's general authority, this code will protect public health, safety and welfare. Housing codes provide standards for how a dwelling unit is to be used and maintained over time. It is important for Mesa to review housing code enforcement efforts and intensify enforcement programs to help maintain housing and upgrade deteriorating housing. Mesa may consider focusing enforcement efforts, working with residents to publicize code provisions and facilitating the resolution of complaints.
1E	Explore infrastructure improvements that may be reserved for innovative housing projects.	1-10 years	Giving priority for sewer and water extension to projects that include housing units affordable to middle-income households can increase the likelihood that such housing will be built. The priority may be formalized in an ordinance or granted informally as a plan policy.

**Strategy Implementation
Regulatory Tools**

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
2A	<p>Application of the economic development strategy:</p> <p>Specific tools under this policy that directly affect the creation/stabilization of Mesa's housing stock include the following:</p>	1-5 years	The economic development strategy has been approved as part of the city's general plan.
	1: Support the planning and economic development district management for the southeastern Mesa urban economic hub.		A proposal to implement a deliberate coordinated management strategy involving all stakeholders, governments and entities in the pro-active management of the community building process in this 20+ square mile area of southeast Mesa.
	2: Support the adopted goals of the general plan and economic development strategy by establishing a policy of promoting commercial and industrial land uses in designated areas.		This is an attempt to halt the spread of commercial and retail development while land resources are devoted to housing so that the latter can catch up with the former. In a housing-rich community such as Mesa, the focus is reversed with limits placed on the growth of residential developments in order to make room for increased commercial development.
	3: Promote mixed-use zoning techniques that capitalize on opportunities to mix housing with retail and commercial centers.		Rezoning from non-residential to residential, or vice versa, simultaneously limits the growth of one kind of development while making land available for a preferred type of development. This concept can pertain to limiting residential development in Mesa to provide more land for office space, or even to allow for mixed-use neighborhoods, a stated goal of the city's economic development strategy. As such, a strategy of mixed-use zoning is one specific means of achieving this end. Mesa has already identified those parts of the city where mixed-use development is most appropriate, and zoning designations for these areas would simply ensure that they are developed in accordance with the strategy's vision.
	4: Develop a strategy to identify selective bonus densities to induce development in targeted areas.		This policy would provide inducements to selected opportunity locations to increase job densities in new and existing development locations by raising floor area ratios by 10-15 percent if jobs/floor-space is committed via a development agreement.

Strategy Implementation Regulatory Tools

<u>Tool #</u>	<u>Action Statement</u>	<u>Initiation Phase</u>	<u>Comments</u>
	5: Explore the establishment of limits on the rate of non-commercial building permits.		This method limits the amount of non-commercial development during a fixed period of time (annual, planning cycle, etc.) and thus controls for the number of new homes that can be introduced into a community. Mesa's expeditious development permit processing initiative is a variation on the outcome this tool aims to achieve, with the emphasis being on increased commercial development facilitated by an expedited permit approval process for both new development and rehabilitation/adaptive uses projects.
	6: Develop an impact fee schedule that promotes commercial, retail and industrial opportunities in the city's growth hubs.		Levied on the construction of new office/employment space, these revenues are used to pay for additional public facilities and services required by the new development. Whereas this fee often acts as a disincentive for the development of new commercial development, Mesa is proposing to offer property clearance incentives to property owners with vacant/obsolete structures, yards and parking areas in order to encourage demolition and repositioning as available building property.
3A	Mesa will evaluate and consider adoption of a voluntary inclusionary zoning ordinance that will permit participating developers to increase the density of a project or receive other benefits in exchange for setting aside a portion of the units for workforce or other types of housing.	1-10 years	Inclusionary zoning (IZ) encourages that a percentage of housing units in new residential developments be made available for low and moderate-income households. The fundamental purpose of IZ is to tie the creation of affordable or workforce housing to the larger residential development process and foster mixed-income communities diverse, stable and supportive. While approaches differ, IZ policies share a common thread. Inclusionary zoning requires and/or encourages developers to contribute to affordable housing stock in exchange for benefits such as zoning variances, development rights and other permits. Inclusionary zoning is a flexible strategy with a proven track record of meeting a community's affordable housing needs while allowing builders to profit from housing developments. To date, IZ policies have been most effective in areas that are experiencing growth, since the creation of affordable units are a function of residential development that is occurring in the community.
3B	Mesa will also consider support for the concept of inclusionary zoning at the regional level	1-10 years	This technique would require a partnership among many local jurisdictions and perhaps Maricopa County. If this concept is adopted, Mesa will offer its support and willingness to work to incorporate such a policy into the city code.

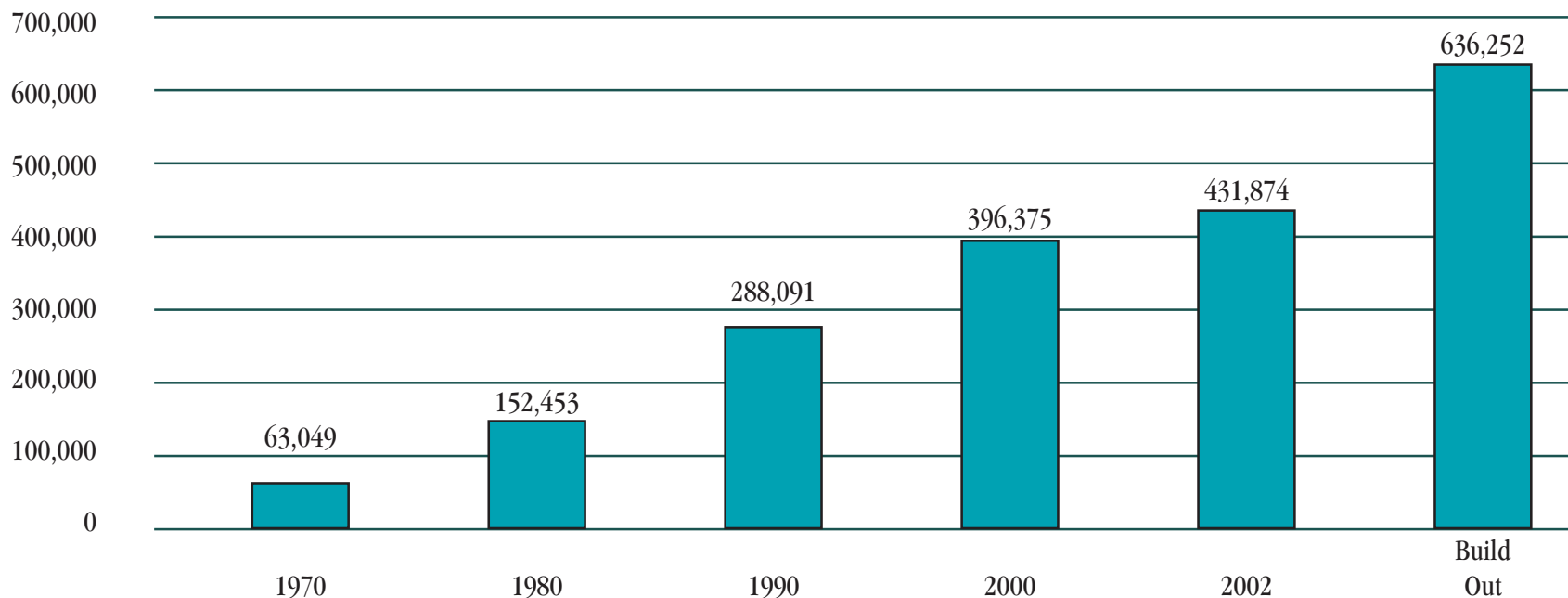
Appendix

Mesa Demographic Profile

Quick Facts

- The population of the City of Mesa grew by 38 percent between 1990 and 2000.
- The majority of Mesa's population is White, with 18.3 percent non-White.
- The Hispanic population grew by nearly 150 percent from 1990 to 2000.
- Mesa's median age is less than the Phoenix-Mesa's MSA median, although residents aged 75 and older are the fastest growing age cohort in Mesa.
- Householders living alone, aged 65 and older, experienced the largest percentage growth in the nineties.
- Mesa's 2000 homeownership rate was 66.4 percent, slightly above the national rate and below the statewide rate of 68 percent.
- Mesa's top 10 employers comprise 13.5 percent of Mesa's labor force of 245,104 persons 25 and older.
- The median income of \$42,817 was slightly higher than the state average of \$40,558. Mesa's 2005 income is projected to be \$48,285. The largest percent growth is estimated to take place in the uppermost income brackets.

Mesa Population Growth: 1970 to Build Out



Population

The City of Mesa grew by 38 percent between 1990 and 2000, compared to the national rate of 13 percent and the State of Arizona's rate of 40 percent. Its 2001 estimated population of 414,075 was second largest of all cities in Maricopa County and third largest in the State.

The majority of Mesa's population is White, with 18.3 percent non-White. The Hispanic population grew by nearly 150 percent from 1990 to reach its 2000 total of 78,281.

Race and Ethnic Diversity: 2000

White	81.7%
Black or African American	2.5%
American Indian/Alaskan Native	1.7%
Asian	1.5%
Native Hawaiian/other Pacific Islander	0.2%
Some other race	9.7%
Two or more races	2.8%
Hispanic or Latino	19.7

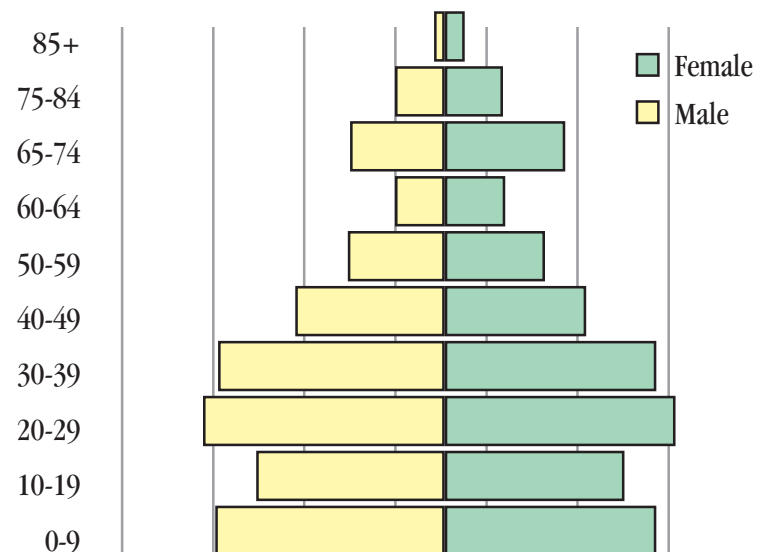
The following two population pyramids show an interesting phenomenon in Mesa—while the largest population growth during the nineties was among the cohorts aged 40-59, the largest percent growth was among the elderly cohorts aged 75 and older.

Even though this implies an aging population, Mesa's median age of 32 is less than that of the Phoenix-Mesa MSA (33.2), the State of Arizona (34.2) and the U.S. (35.3).

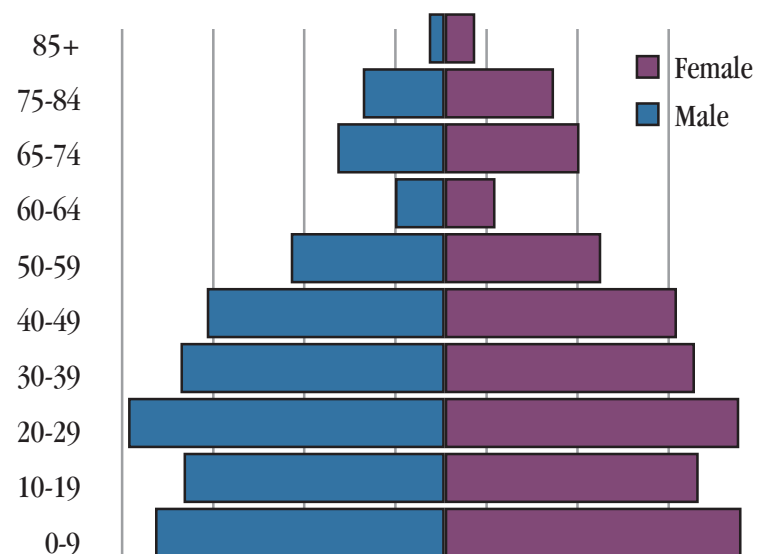
Households

Mesa gained 38,780 new households during the nineties to reach a total of 146,643 households in the year 2000. Of these, nearly 100,000 (or 68 percent) are families. Household size increased to 2.68, with population growth outpacing household formation.

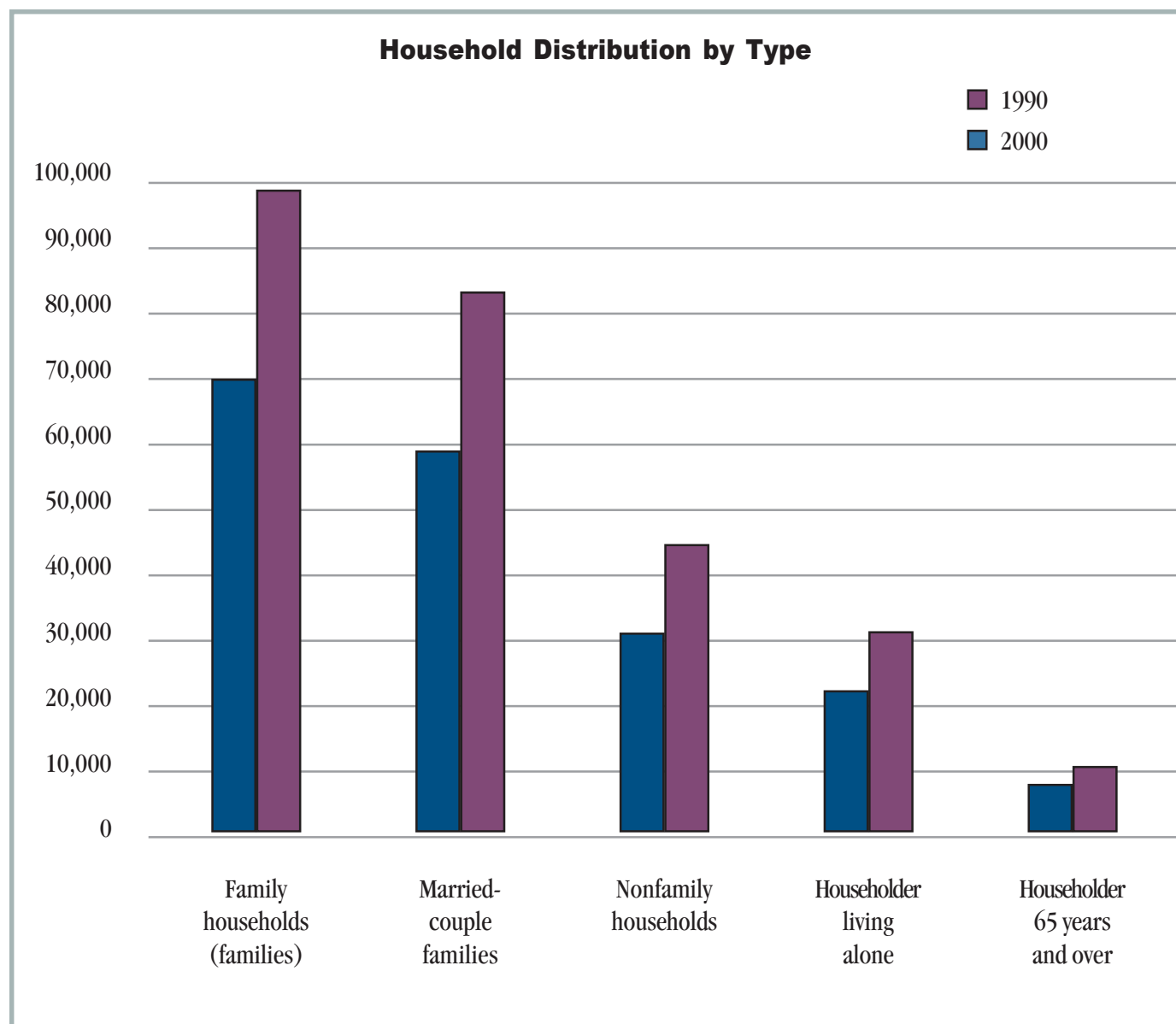
Absolute Population Growth by Age and Sex: 1990-2000



Percent Population Growth by Age and Sex: 1990-2000



Householders living alone, aged 65 and older, experienced the largest percent growth in the nineties of all household types. This type of household grew by 52.4 percent during this period. On the contrary, married couple households had the smallest percent growth—27.01 percent.



Economic Base and Labor Force

Mesa has a total labor force, aged 25 and older, of 245,104. Mesa businesses recruit workers from a regional civilian labor force of nearly 1.6 million (Arizona Department of Economic Security, April 2002). Principal employers in Mesa are:

Government

City of Mesa

Health

Banner Health System
Banner Desert Hospital
Banner Baywood Hospital
Banner Baywood Heart Hospital
Banner Mesa Hospital
Mesa General Hospital
Native American Ambulance

Back Office/Business Services

AT&T
Tribune newspapers
AA Ventures (ARISE)
Phoenix Newspapers
Concord EFS

Education

Mesa Public Schools
NCS/Pearson
Mesa Community College
Arizona State University East
AZ School of Health Sciences
East Valley Institute of Technology
University of Phoenix
Ottawa University
Keller School of Management

Distribution

Keith Riggs Plumbing
Gold Canyon Candles
Legris
Mesa Cold Storage

FIRE

Ford Motor Credit Corporation
Progressive Financial

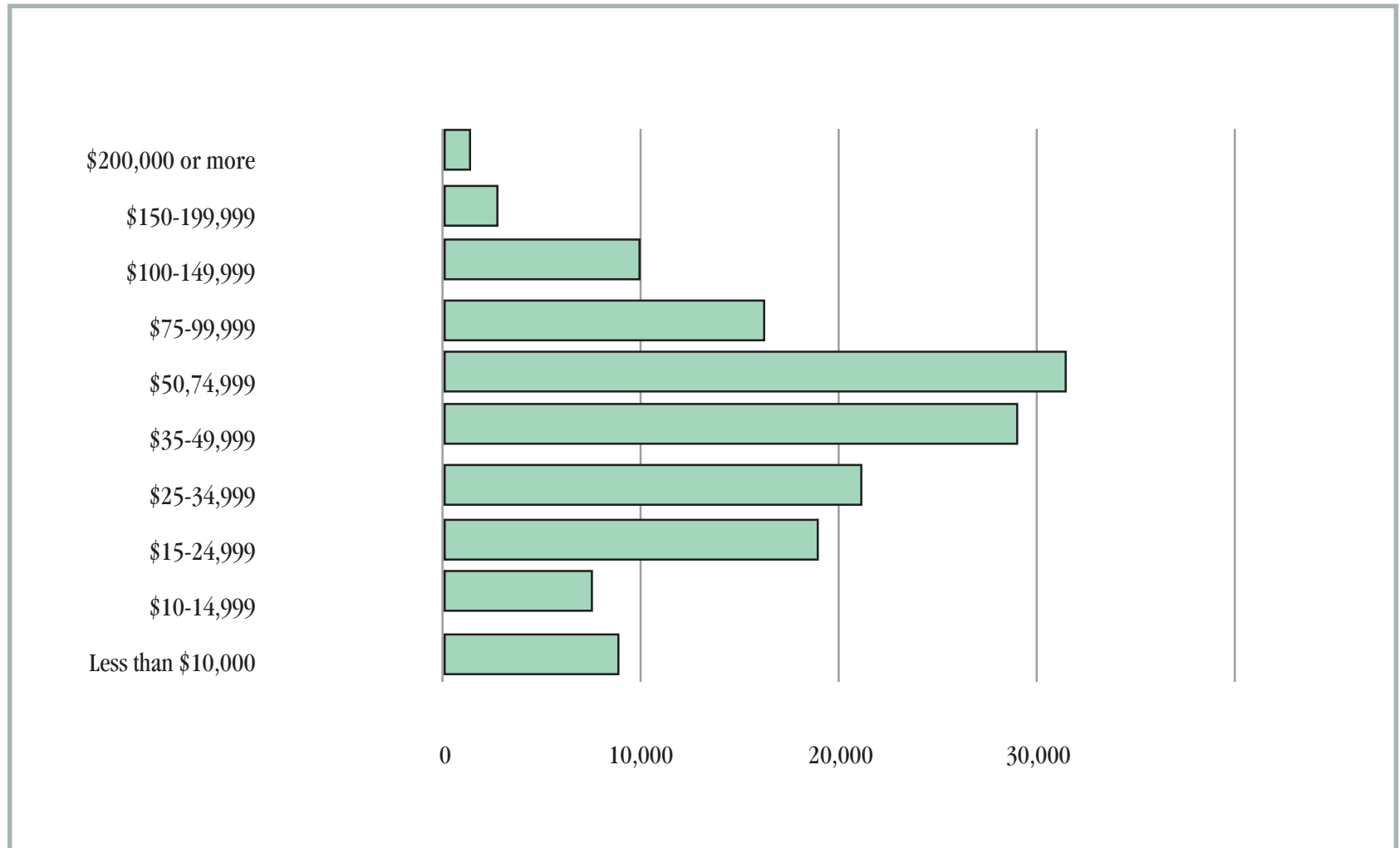
Manufacturing

Boeing
Motorola
TRW
Empire Southwest Machinery
Special Devices
Desert GM Proving Ground
McDonnell Douglas Helicopters Inc.
Mesa Fully Formed
Talley Defense Systems
Arch Chemical
Kett Engineering
R&K Building Supplies
Bass Cabinet Manufacturing Inc.
ATMI Epitronics
Auer Precision
Marsh Aviation
Progressive Electronics

Source: City of Mesa Office of Economic Development's Mesa Business Database; Arizona Industrial Directory, 2000

Income

The City's median income in 2000 was \$42,817. The income bracket with the greatest number of households was \$50-74,999. This median income is slightly higher than the statewide median of \$40,558.



Community Survey

A community survey was prepared through a joint effort between the City of Mesa's Neighborhood Services Department and Arizona State University's College of Architecture and Environmental Design (CAED). This survey sought responses from both city employees and Mesa residents. The methodology utilized and the resulting maps of housing stress are described further in the following section.

Methodology

The raw data for each indicator was collected from the U.S. Census Bureau's website using the American Fact Finder data collection tool. The data was then translated into a standard or "z score", which was derived by subtracting the mean from the raw score and dividing that number by the standard deviation of the total population. The z score for the indicators within each Census block group was averaged together yielding a single z score (housing stress score) for each Census Block Group. For each Block Group the standard was as follows: the higher the number, the more stressed housing conditions would be within that area.

Applying these data, the levels of housing stress were grouped into the following five categories:

- Highest Stress - z scores ranging from .751 to highest score.
- High Stress - z scores ranging from .251 to .75.
- Medium Stress - z scores ranging from -.25 to .25.
- Low Stress - z scores ranging from -.75 to -.251.
- Lowest Stress - z scores ranging from -.751 to lowest score.

Data for all indicators and the final housing stress score was then imported into a Geographic Information System (GIS) database, and maps of the City of Mesa's Census Block Groups were made illustrating the levels of housing stress for each indicator.

The results of the study indicate that the highest housing stress areas within the City of Mesa are located in the downtown central corridor area. There is also one location to the north and one location to the southeast that have high



Figure 1: Photo of housing in highest stress area

housing stress scores. The northern area contains industrial developments and the southern location contains Williams Gateway Airport and Arizona State University's East Campus. These factors could contribute to these locations having higher stress scores than other areas.

A final component of this study was a Windshield Survey, wherein visual inspections were conducted in neighborhoods identified through the data collection and community survey components.

Conclusion

It is hoped that this information can be used by the City of Mesa's planning staff and City Council in making better decisions about what areas are most in need of assistance. This information should be supplemented by additional qualitative analysis to confirm that these are the areas within the city where housing is the most stressed.

Windshield Survey

To confirm the findings of the community survey and to verify the model's accuracy at predicting areas with the highest housing stress, a visual evaluation was conducted of random Census Block Groups on December 6, 2002. This survey was conducted by driving through the different census areas identified on the GIS maps. It was observed that the areas classified as highest in housing stress are those where housing is in an obvious state of disrepair. Housing in these areas was characterized as having boarded-up windows, or windows with plastic coverings instead of glass. Exterior walls and roofs were in need of repair and/or replacement. See Figure 1 for a photo representative of the highest stress housing.

High stress housing was observed as needing minor maintenance or repair. Observations included housing that was in need of repainting and minor exterior wall repairs. See Figure 2 for a photo representative of housing in high stressed areas.



Figure 2: Photo of housing in high stress area



Figure 3: Photo of housing in low stress area

Housing in low stress areas were in very good/excellent condition. Most of the housing in these areas were relatively new or well maintained older housing. See Figure 3 for a photo representative of low stress housing areas.

Housing in the lowest stress areas was in excellent condition. Most of these areas contained new home subdivisions or custom home lots. See Figure 4 for a photo representative of housing in the lowest stress areas.

CHAS Data

These definitions apply to the terminology used in the 2000 CHAS Table for all households, which follows on the next page.

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems: overcrowding and/or without complete kitchen or plumbing facilities.



Figure 4: Photo of housing in lowest stress area

Rent 0-30%: These are units with a current gross rent (rent and utilities) that are affordable to households with incomes at or below 30% of HUD Area Median Family Income. Affordable is defined as gross rent less than or equal to 30% of a household's gross income.

Rent 30-50%: These are units with a current gross rent (rent and utilities) that are affordable to households with incomes greater than 30% and less than or equal to 50% of HUD Area Median Family Income.

Rent 50-80%: These are units with a current gross rent (rent and utilities) that are affordable to households with incomes greater than 50% and less than or equal to 80% of HUD Area Median Family Income.

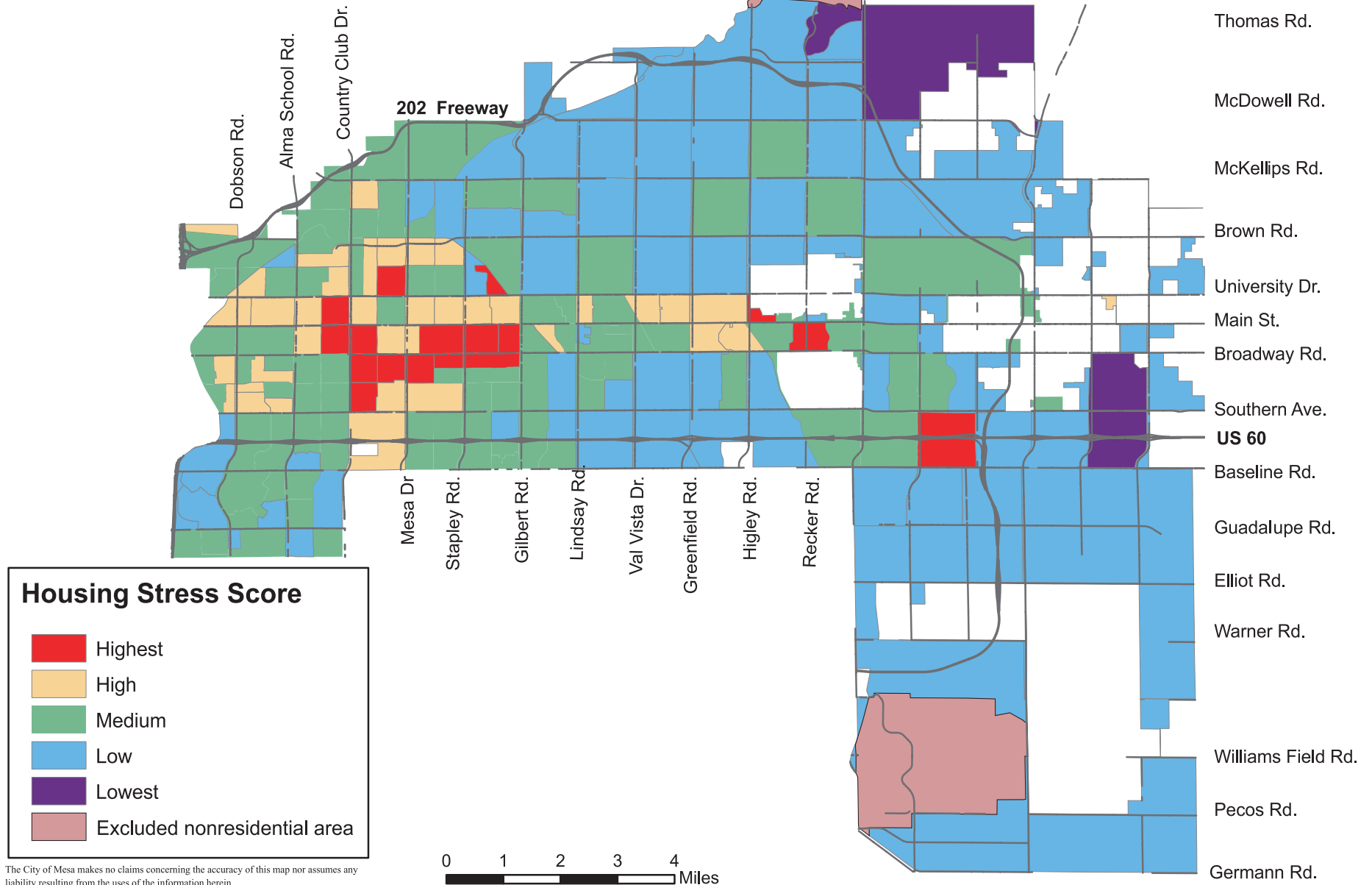
Rent >80%: These are units with a current gross rent that are affordable to households with incomes above 80% of HUD Area Median Family Income.

Value 0-50%: These are homes with values affordable to households with incomes at or below 50% of HUD Area Median Family Income. Affordable is defined as annual owner costs less than or equal to 30% of annual gross income. Annual owner costs are estimated assuming the cost of purchasing a home at the time of the census based on the reported value of the home. Assuming a 7.9% interest rate and national averages for annual utility costs, taxes and hazard and mortgage insurance, multiplying income times 2.8 represents the value of a home a household could afford to purchase. For example, a household with an annual gross income of \$30,000 is estimated to be able to afford an \$87,000 home without having total costs exceed 30% of their annual household income.

Value 50-80%: These are units with a current value affordable to households with incomes greater than 50% and less than or equal to 80% of HUD Area Median Family Income.

Value >80%: These are units with a current value that are affordable to households with incomes above 80% of HUD Area Median Family Income.

Mesa Housing Stress



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MAP CREATION DATE: 1/10/06
MAP CREATED BY: Planning-GIS

Name of Jurisdiction: Mesa(CDBG), Arizona

Source of Data: CHAS Data Book

Data Current as of: 2000

Household by Type, Income & Housing Problem	Renters					Owners					
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Very Low Income (Household Income <= 50% MFI)	3,189	5,075	2,002	4,682	14,948	7,913	2,166	860	1,650	12,589	27,537
2. Household Income <=30% MFI	1,700	2,304	996	2,467	7,467	2,779	747	281	849	4,656	12,123
% with any housing problems	74.3	87	95.3	76.4	81.7	67	77.4	92.2	74.4	71.5	77.8
% Cost Burden >50% and other housing problems	0.8	14.4	51.4	2.1	12.2	0	11.2	39.1	1.6	4.5	9.2
% Cost Burden >30% to <=50% and other housing problems	0	2.5	15.3	0.2	2.9	0	2.7	2.8	0	0.6	2
% Cost Burden <=30% and other housing problems	0	2.8	10.3	1.6	2.8	0.4	2.9	2.8	0	0.9	2
% Cost Burden >50% only	59.3	59.2	16.5	69.7	57	45.7	53	40.9	60.3	49.2	54
% Cost Burden >30% to <=50% only	14.2	8.2	1.8	2.8	6.9	20.9	7.5	6.4	12.5	16.3	10.5
3. Household Income >30 to <=50% MFI	1,489	2,771	1,006	2,215	7,481	5,134	1,419	579	801	7,933	15,414
% with any housing problems	79.7	87.7	94.5	91.9	88.3	41	87.1	92.7	72.4	56.2	71.8
% Cost Burden >50% and other housing problems	2.7	1.5	6.1	0	1.9	0.5	2.3	11.1	0.5	1.6	1.7
% Cost Burden >30% to <=50% and other housing problems	0.7	11.9	35.3	1.5	9.8	0.2	2.8	26.9	0.5	2.6	6.1
% Cost Burden <=30% and other housing problems	0	3.5	31.4	1	5.8	0	2	10.7	0	1.1	3.4
% Cost Burden >50% only	47.8	19.2	8.4	35.2	28.2	16.6	48.3	22.1	47.7	25.8	27
% Cost Burden >30% to <=50% only	28.5	51.6	13.3	54.1	42.6	23.7	31.7	21.9	23.7	25	33.5
4. Household Income >50 to <=80% MFI	1,458	5,225	1,818	4,723	13,224	6,812	4,824	2,263	2,132	16,031	29,255
% with any housing problems	59	47.3	82.6	49.2	54.1	20.5	60.2	68.7	67	45.4	49.4
% Cost Burden >50% and other housing problems	1.7	0	0	0	0.2	0	0.3	1.4	0	0.3	0.2
% Cost Burden >30% to <=50% and other housing problems	0.7	4	7.2	0.4	2.8	0	2.5	5.5	0.7	1.6	2.1
% Cost Burden <=30% and other housing problems	0.3	11.2	59.5	3.8	14	0	3.3	23.3	1.4	4.5	8.8
% Cost Burden >50% only	16.6	1.6	0.2	2.4	3.3	5.7	11.3	5.3	20.4	9.3	6.6
% Cost Burden >30% to <=50% only	39.7	30.6	15.6	42.6	33.8	14.8	42.9	33.1	44.6	29.8	31.6
5. Household Income >80% MFI	1,449	9,170	1,975	7,781	20,375	14,704	34,451	9,760	9,202	68,117	88,492
% with any housing problems	19.8	14.6	53.4	5.8	15.4	6.3	10.9	19.6	17.1	12	12.7
% Cost Burden >50% and other housing problems	1.7	0	0	0	0.1	0	0	0	0	0	0
% Cost Burden >30% to <=50% and other housing problems	0	0	0.7	0.1	0.1	0	0	0.3	0	0.1	0.1
% Cost Burden <=30% and other housing problems	0.3	12.6	51.7	3.3	12	0	1.5	13.5	0.5	2.8	4.9
% Cost Burden >50% only	5	0	0	0	0.4	0.5	0.4	0.4	1.3	0.6	0.5
% Cost Burden >30% to <=50% only	12.8	2	1	2.4	2.8	5.8	8.9	5.4	15.1	8.6	7.2
6. Total Households	6,096	19,470	5,795	17,186	48,547	29,429	41,441	12,883	12,984	96,737	145,284
% with any housing problems	59	42.4	76.9	38.9	47.4	21.4	20.4	33.1	32.4	24	31.8

Housing Affordability Gap Analysis

The U.S. Department of Housing and Urban Development (HUD), in conjunction with the Arizona Department of Housing and Arizona Housing Commission, commissioned Elliott D. Pollack and Company to conduct an Arizona Affordable Housing Profile. In response to the study, Affordable Housing Task Force member Greg Holtz further analyzed the Housing Affordability Gap for the City of Mesa in September of 2003. Some of the Holtz graphics have been reproduced in this section. The following assumptions apply to both analyses, with the exception of Median Income.

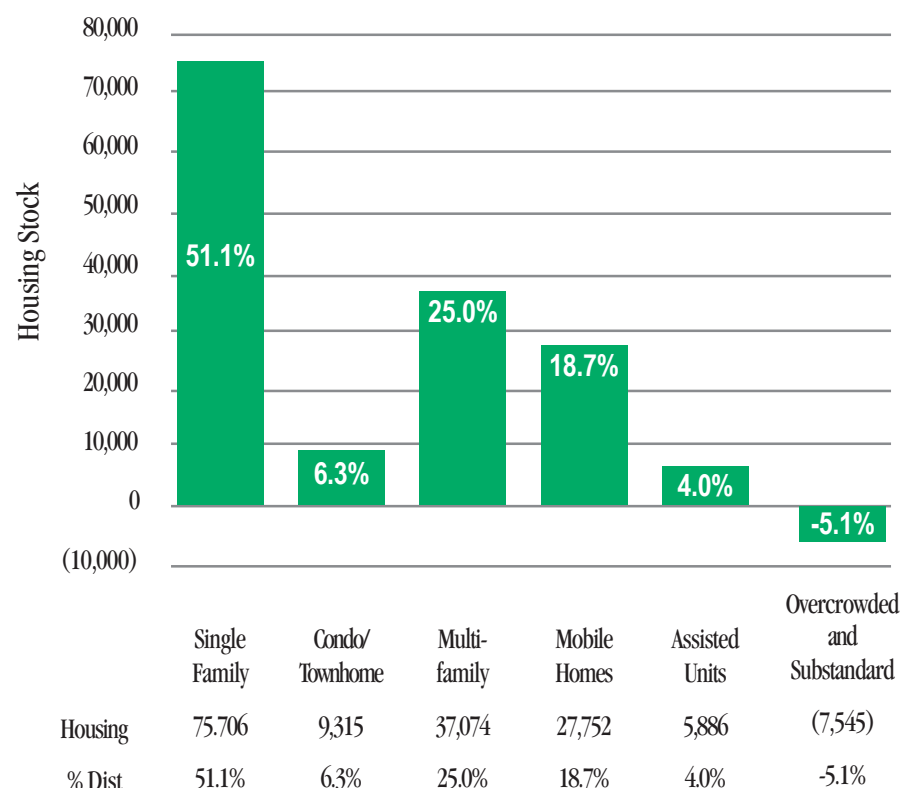
Affordability Gap Study Assumptions

Maximum Percent of Income for Housing	28%
Interest Rate	8.15%
Down Payment	5.0%
Median Household Income	\$42,817

Based on 2000 Decennial Census data, Mesa's housing stock was comprised of 155,732 housing units in 1999. These are single-family units (75,706), townhomes/condos (9,315), multi-family units (37,074), mobile homes (27,752) and assisted units (5,886). In the Holtz study, this total was reduced by 7,545 in order to account for substandard housing units and overcrowding. These unit counts are illustrated in the graph at the right by type.

In the Pollack study, the number of households by income range and the available non-seasonal housing stock by type associated with each income range (affordable at 28% of annual household income) are used to determine the Housing Affordability Gap. This

Mesa's Housing Stock: 2000 Census



gap is the difference between the number of households within each income range and the number of housing units affordable to those households. The table on the following page summarizes the Pollack Company's findings for Mesa.

Pollack Gap Table and Mesa Housing Stock by Income Bracket

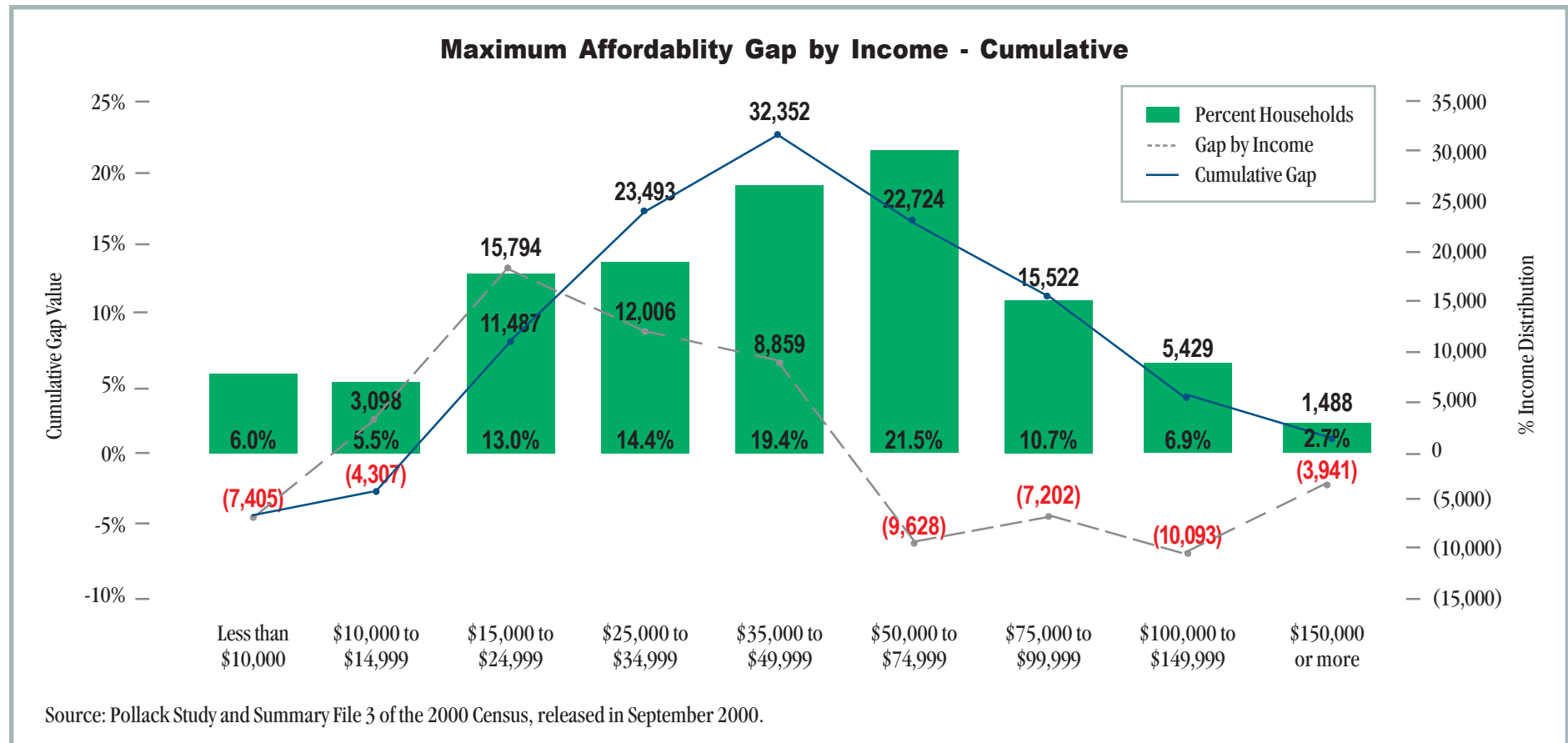
Summary Table of the Mesa Affordability Gap Calculations conducted by Elliott D. Pollack & Company commissioned by the Arizona Housing Commission

% of Median	Income Low	Range High	Number of Households	Single Family Available	Condo/ Townhome Available	Multi-family Available	Mobile Homes Available	Marketable Housing Available	Assisted Units Available	All Available Units	Gap by Income	Cumulative Affordability Gap
23%	0	9,999	8,755	278	-	-	1,664	1,942	280	1,353	(7,401)	(7,401)
29%	10,000	14,999	8,101	591	160	71	9,811	10,633	1,438	11,202	3,101	(4,300)
41%	15,000	19,999	9,189	950	499	991	9,674	12,114	1,359	12,603	3,414	(886)
53%	20,000	24,999	9,864	1,778	1,374	13,726	3,979	20,857	1,845	22,253	12,388	11,502
64%	25,000	29,999	10,516	3,144	1,835	11,108	1,689	17,776	894	18,221	7,705	19,207
76%	30,000	34,999	10,607	6,132	1,675	7,075	412	15,294	71	14,916	4,309	23,516
88%	35,000	39,999	10,162	7,852	800	2,052	283	10,987	-	10,538	376	23,892
99%	40,000	44,999	9,503	12,809	894	991	95	14,789	-	14,159	4,655	28,547
	45,000	49,999	8,806	11,483	828	920	43	13,274	-	12,644	3,839	32,386
	50,000	59,999	15,120	13,683	772	142	69	14,666	-	14,036	(1,084)	31,302
	60,000	74,999	16,362	8,008	433	-	17	8,458	-	7,829	(8,532)	22,770
	75,000	and up	29,658	8,999	47	-	17	9,063	-	8,434	(21,224)	1,546
		Total	146,643	75,707	9,317	37,076	27,753	149,853	5,887	148,188	1,546	

Of greatest significance to Mesa's Housing Master Plan is that Mesa's affordability gap—the difference between the number of households within each income range and the number of housing units affordable to those households—occurs at an income level that is at 23% of the Area Median Income (AMI). Still, despite Mesa's high relative level of affordability, the graph below illustrates how the City's affordability gap reverberates up through to the \$20,000 income range, which is at a level of approximately 45% of the Mesa median income level. This affects roughly 26,000 (or 17.8%) of Mesa's 146,643 households.

The most critical affordability gap is found at the lowest income level and affects the 5% of Mesa households who earn 23% of the area's median in-

come. The “gap” illustrated by the broken line at the upper end of the axis was not a concern in the Pollack study, since these households have adequate incomes, are mobile in their search for housing and can find housing that is affordable relative to their incomes. However, the housing choices of these households will impact those at the lowest income levels when those of higher incomes find adequate housing for less than 28% of their income or choose not to purchase above their 28% potential. By their actions, they reduce the stock of affordable housing available for those at the lowest income levels.



How Mesa Compares With Other Communities in Maricopa County

By contrast to Mesa, surrounding East Valley cities indicate affordability gaps at much higher levels. For example, Tempe (47%), Chandler (43%) and Gilbert (51%) all contain housing gaps that reflect less overall affordability than in Mesa. As shown in the table below, Mesa has a smaller percent of its total households experiencing an affordability gap than any other Arizona city—less than half of Phoenix’s and almost one-third that of Tempe. As a percentage of median income, Mesa’s gap is almost half that of its surrounding communities.

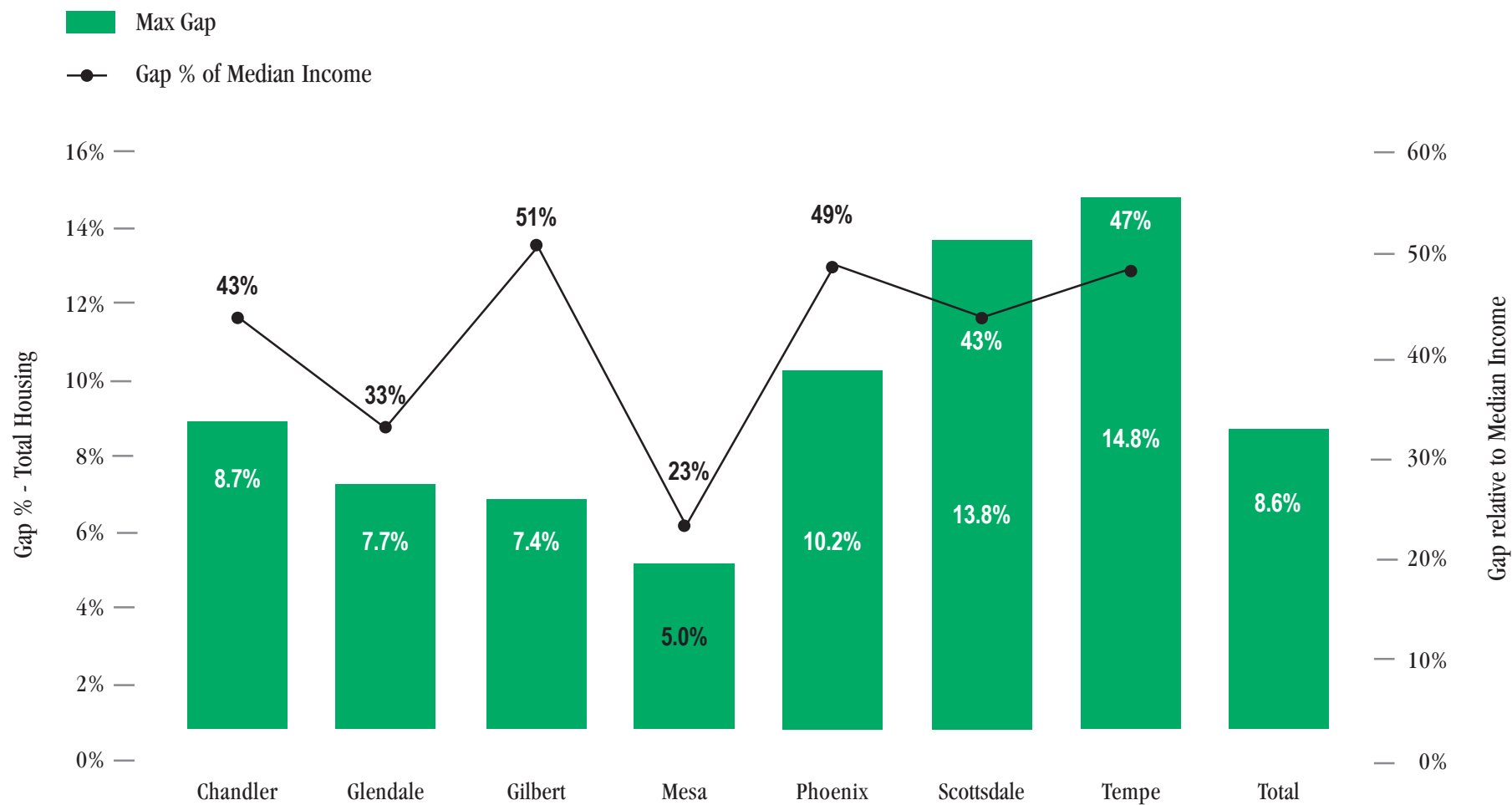
Affordability Gaps of Maricopa County Cities

City	Total Households	Gap Households	Gap as % of Households	Gap As % of Median Income
Chandler	62,377	5,396	8.7%	43%
Gilbert	35,405	2,609	7.4%	51%
Glendale	75,700	5,821	7.7%	33%
Mesa	146,643	7,401	5.0%	23%
Phoenix	465,834	47,588	10.2%	49%
Scottsdale	90,669	12,560	13.9%	43%
Tempe	63,602	9,436	14.8%	47%

Source: Arizona Affordable Housing Profile, Findings and Conclusions 2002; Arizona Housing Commission, Arizona Department of Housing and U.S. Dept. of Housing and Urban Development

The graph on the next page illustrates the figures shown in the Affordability Gap table. The bars represent the percent of each community’s households experiencing the effects of the Housing Affordability Gap. The line indicates the income level of these households as a percent of each community’s median income.

Housing Gaps in Maricopa Cities



Source: Holtz, based on data from Arizona Affordable Housing Profile, Findings and Conclusions 2002; Arizona Housing Commission, Arizona Department of Housing and U.S. Department of Housing and Urban Development

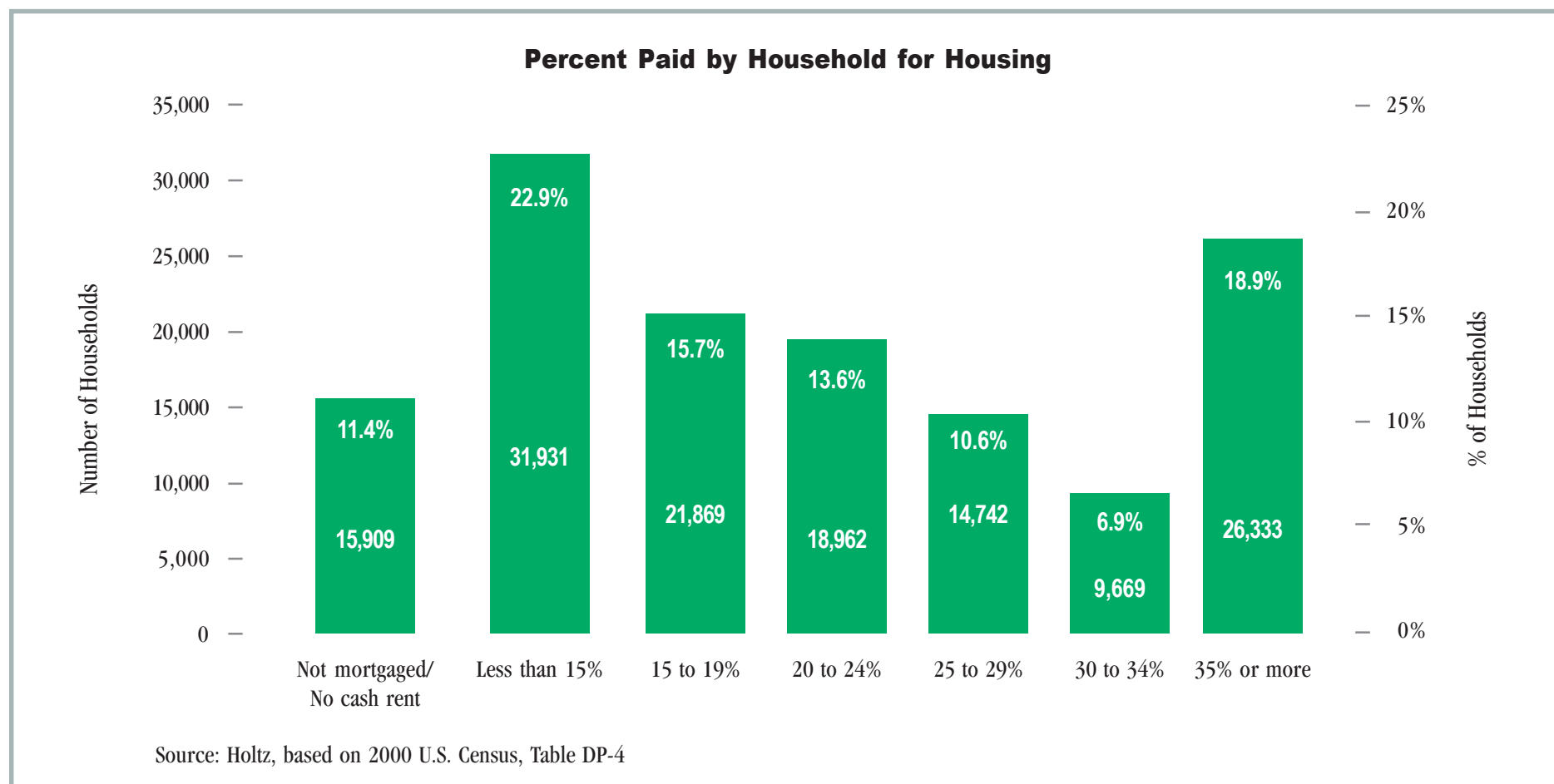
Cost Burden

HUD's threshold for affordability is a household paying no more than 30 percent of its monthly income toward housing expenses. HUD considers a household paying more than 30 percent to be cost burdened. Nearly one-third (28.6%) of Mesa's residents pay more than 30% of their annual income for housing costs. This is made up of 21.9% homeowners and 39.0% tenants.

The findings of this study are significant given a regional context for affordable housing. More pointedly, the findings of the Gap Analysis support the popular sentiment that Mesa contains more than its "fair share" of afford-

able housing. However, while the relative number of cost-burdened households is less in Mesa than in surrounding cities and the income level at which the gap occurs is also lower, there are still thousands of households who are either paying too much for their housing or, in Mesa's case, may have no home at all.

In addition, this Gap Analysis speaks to the *quantity* of households that meet criteria for affordability, but does not include an analysis of the *quality* of housing. The quality of housing is significant because, as reported in the visioning section of this plan, infill and revitalization measures are valued as indispensable elements of Mesa's housing future.



As illustrated in following table, Mesa's Affordability Gap for Housing occurs at the very low and high to the very high income ranges. Specifically, those median household incomes between \$0 and \$9,999, and those from \$50,000 and up have a total gap of 38,241 units. While Mesa's net gap is relatively small when compared to surrounding communities, it is the households that exist in these extreme income ranges that should be targeted for housing development and program resources in the coming decades. For lower-income households that are adequately served by housing, the issue in Mesa may be that many of these homes and neighborhoods must be targeted for rehabilitation, reinvestment and careful planning.

For those lowest income households, no market solution exists which can "build" these residents out of the affordability gap. Therefore, the many programmatic resources made available through the implementation strategy must be tapped for the creation of subsidized and supportive housing options. For the thousands of households whose affordability needs are being met but whose aging homes may face an uncertain future, the implementation strategy provides dozens of tools which will assist in housing rehabilitation and many others that create operational support for neighborhood and environmental improvements.

Affordability Gap				
Income Range		Number of Households	All Available Units	Gap by Income
Low	High			
0	9,999	8,755	1,353	(7,401)
10,000	14,999	8,101	11,202	3,101
15,000	19,999	9,189	12,603	3,414
20,000	24,999	9,864	22,253	12,388
25,000	29,999	10,516	18,221	7,705
30,000	34,999	10,607	14,916	4,309
35,000	39,999	10,162	10,538	376
40,000	44,999	9,503	14,159	4,655
45,000	49,999	8,806	12,644	3,839
50,000	59,999	15,120	14,036	(1,084)
60,000	74,999	16,362	7,829	(8,532)
75,000	And up	29,658	8,434	(21,224)
TOTAL		146,643	148,188	1,546